Daily Report

East Europe

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Representatives Address CSCE Vienna Meeting

Hungary's Erdos Gives Speech

LD0912222688 Budapest MTI in English
2104 GMT 9 Dec 88

[Text] Vienna, December 9 (MTI)—Ambassador Andre Erdos, the leader of the Hungarian delegation to the Vienna follow-up meeting of the Conference on Security and Cooperation in Europe, addressed the full session of the conference on Friday. Mr Erdos appreciated the importance of the Soviet proposal delivered in the United Nations on Wednesday, and commemorated the International Day of Human Rights.

The ambassador said that Hungary had earlier voiced on several occasions its view that genuine results cannot be achieved in disarmament as long as mistrust prevails between states which the taking of unilateral disarmament steps can be a means in overcoming. The announced steps of the Soviet Union indicate the intention of the Warsaw Treaty member states to help eliminate the atmosphere of suspicion that has come about in the military field.

Mr Erdos referred to the fact that the Soviet measures to be realized also affect the area of Hungary. He stressed that the plan of the Soviet Union has had a favourable affect on the Vienna meeting, and could move the member states of the Atlantic Treaty to answer the Soviet initiative in a corresponding manner.

In the following the Hungarian ambassador discussed the anniversary, that the member states of the United Nations approved the Universal Declaration of Human Rights 40 years ago.

In this context, Mr Erdos recalled that Hungary recently joined the protocol of the Covenant on Civil and Political Rights, the approval of which is entrusted to the discretion of all states. The ambassador noted the importance of the fact that the participants of the Vienna meeting are currently endeavouring to work out a European cooperation mechanism of human rights, which envisages the creation of indicating, consultational and controlling system for such issues.

CSSR Delegate Speaks

AU2312120188 Prague RUDE PRAVO in Czech
17 Dec 88 p 7

[CTK correspondent's Vienna dispatch: "For an Expeditious Finalization of the Document"]

[Text] Vienna— The plenary session of the Vienna CSCE follow-up meeting was addressed on Friday [16 December] by Ambassador Frantisek Dolezel, head of the Czechoslovak delegation.

He stressed that the Czechoslovak delegation fully supports the calls for an expeditious finalization of the text of the closing document of the Vienna follow-up meeting and thus for its successful conclusion. He pointed out, however, that the materialization of these calls requires that the so-called problem areas do not conceal Western attempts to change the text. Frantisek Dolezel said that such attempts would only lead to another drawn-out round of talks and could jeopardize all the positive achievements already reached at the forum.

He noted that the Vienna talks have also received powerful boosts from the outside. In this connection he referred to the extraordinary importance of the recent speech of the highest Soviet representative, Mikhail Gorbachev, in the UN. "The ideas of this speech, inspired by the universal interest in continuing the process of improvement in international relations, have also received full support from the CSSR highest party and government bodies. This also holds fully true for that part of Mikhail Gorbachev's speech which dealt with the unilateral withdrawal of some Soviet troops and weaponry from our territory and from the territories of our allies. This measure, which had been discussed with the CSSR in advance, and which was approved by the Czechoslovak side, is an important step toward strengthening trust and security on our continent," Ambassador Dolezel said.

He went on to brief the participants in the session on current developments in the CSSR, placing emphasis on the process of democratization and restructuring. In this context he mentioned the founding of the Committee of the Czechoslovak Public for Human Rights and Humanitarian Cooperation and characterized its significance and aims.

The CSSR delegation head drew attention to the significance of the 12 follow-up CSCF events to be held after the Vienna meeting and expressed the conviction that, by their content and expected results, they will contribute to the further dynamization and enrichment of the CSCE process. From the set of events proposed by neutral and nonaligned countries, he singled out the importance of the follow-up economic event. He said that as far as the candidacy of Prague to serve as the venue of this event is concerned, the CSSR proposal remains valid.

"All prerequisites will be ensured for the economic forum to take place in Czechoslovakia according to all generally accepted CSCE standards. Optimal conditions will be established to enable this action to live up to its agreed mandate and for it to be a success," Frantisek Dolezel said, and turned to the U.S. delegation with the request that it reconsider its negative attitude and assume a more positive stand on Czechoslovakia's candidacy.

Polish Envoy Delivers Address at MBFR Session
LD0212095688 Warsaw PAP in English
0035 GMT 2 Dec 88

[Text] Vienna, Dec. 1—Addressing the concluding debate of the 46th round of negotiations of state members of the Warsaw Treaty and NATO on mutual reduction of armed forces and armaments in central Europe, chairman of the Polish delegation Ambassador Tadeusz Strulak said that in the situation when the preparing of the mandate for negotiations between 23 Warsaw Treaty and NATO states on the reduction of armed forces and conventional armaments in Europe is in its final stage, Poland is deeply interested in the start of those negotiations as early as possible.

Poland is also interested in reaching the fastest possible agreement at this new forum of European negotiations in the conviction that this would enable Poland to participate in the process of vital reduction of armed forces and conventional armaments, stressed the ambassador.

He also stressed the importance of the Jaruzelski Plan for the future negotiations of the 23 states, which without doubt will have to focus first on the middle stretch of central Europe, a region of biggest concentration of armed forces and armaments.

The 47th round of negotiations will start in February, 1989.

Gorbachev's View of West Europe Analyzed

AU1912200988 Tirana ZERI I POPULLIT in Albanian 13 Dec 88 p 3

[Harillaq Kekezi article: "The Concept of a 'Common European Home' Serves Soviet Interests"]

[Text] The Soviet Union has recently been developing intensive diplomatic contacts with West European countries; these have included visits to Moscow by the Italian prime minister, De Mita; the FRG chancellor, Kohl; the French president, Mitterrand; and others, as well as the Soviet foreign minister's visit to Paris, and so forth. In this dialogue with West Europe, the topic of building "a common European home" has become increasingly predominant, and is considered to be an ongoing plan to restructure international relations. At its recent regular meeting, the Committee of Foreign Ministers of the Warsaw Pact member countries also included this item on its agenda, with all its well-publicized subsidiary issues such as the reduction of armed forces and conventional weapons, measures to build confidence and security in this continent, economic cooperation, and the affirmation of "a new way of thinking" in international relations.

The concept of "a common European home" is publicized as one of the main aims of the "new" Soviet policy toward the West. Since he came to power, Gorbachev has continually referred to Europe from the Atlantic to the Urals as "our common home," and as a cultural and historical entity united by the common heritage of the Renaissance, the Enlightenment, and the great philosophical and social teachings of the 19th and 20th centuries.

This entire program in favor of redefining general European relations, which is called deideologization, is being exploited by Gorbachev and his team with the aim of changing the image of the Soviet Union in West Europe, of creating trust, and encouraging rapprochement and support for future domestic and foreign plans. All Gorbachev's sermons, aiming to create the false impression that a new political relationship of closer economic cooperation is being created between the European states and the superpowers, and that this relationship is a sort of salvation, are a propaganda maneuver designed to conceal the Soviet superpower's current ploy in its rivalry with the USA.

It is now well known that the United States is seeking to create a new relationship with West Europe, in which all kinds of economic, trade, financial, and technological contradictions are implicated. European interests, as a whole, no longer coincide with American interests in the same way as they did a few years ago. This can be seen not only in efforts to create an alternative form of European defense, but in the independent standpoints of some governments, which, in accordance with and in defense of their national and security interests in Europe, have made the decision not to allow the deployment of nuclear weapons on their territory or not to allow superpower warships equipped with such weapons to enter their ports. Some others have demanded the removal of air bases.

The Soviet Union, with the restructuring reforms it is implementing in the domestic sphere in order to pull the country out of political and economic stagnation and to further strengthen it as an imperialist superpower, now more than ever needs West Europe and special relations with West Europe in the fields of investment and technology, just as it needs a similar kind of restructuring in East European countries in order to achieve their full political and economic integration within CEMA and the Warsaw Pact.

The concept of "a common European home," under such circumstances, is in line with the Soviet Union's traditional goals of confronting the American presence in Europe and isolating West European countries from the United States. The Soviet Union greatly needs West European help in carrying out its economic and political reforms, because Washington is not inclined to offer the necessary amount of capital and modern technology, since it is a question of the struggle for superiority between the superpowers. The social-imperialists have calculated that they need West Europe as a wealthy and vital rear-line at a time when a period of "ceasefire" with the United States is being reached, something which is necessary in order to strengthen the economy and find opportunities under modern conditions of continuing the strategy of hegemonism in the international sphere.

An analysis of the situation in Europe, even after the signing of the Soviet -American agreement on Euromissiles, is the best way to show realistically that Europe continues to be a flashpoint of Soviet-American confrontation, and that it is not possible to secure peace in Europe and eliminate the danger of war from this continent in such a way. In the wake of such an agreement, Europe remains far from being totally reassured. Nor can Europe be reassured, because this continent, geographically, is the main region of concentration of the superpowers' armed forces. It remains within striking range of strategic nuclear weapons and under the threat of conventional war because of new arms races such as those of "military compensation" and "the weapons of tomorrow."

The concept of a "common European home" is especially linked to the outcome of the "perestroyka" which has been embarked upon not only within the Soviet Union but in the international arena, and which in a way will be decided by foreign political and economic relations. In these relations, as a counterbalance to the United States, relations with West Europe assume particular importance and involve not only relations between individual countries, but among economic and political groupings in both halves of the continent. The Soviet Union carries out about 80 percent of its Western trade with West European countries, and this region remains its most important supplier of machinery and

other industrial equipment. It has been calculated that between one-third and one-fifth of the industrial equipment that the Soviet Union has recently imported has come from West Europe. The volume of trade with the United States is much smaller, almost one-quarter of that with the FRG. Two-thirds of imports from the U.S.A. are made up of agricultural products which, in contrast to highly developed technological items, can be easily bought elsewhere on the world market or from the EEC. This small amount of data shows that the Soviet Union's ties with West Europe and Japan are more important for Moscow than Soviet-American trade is.

From this point of view, the slogan of "a common European home" assumes a threefold, tangible economic meaning for the Soviet Union. First, it involves breaking down the barrier imposed by the Coordinating Committee for Multilateral Export Controls, which prohibits the transfer of high-technology items. Second, it involves encouraging the creation of joint companies in order to alleviate the burden of investment in modern technology and the burden of the military investments that continue to consume between 15 and 17 percent of the national product. Third, it involves covering the budget deficit. West European capital plays the most important role in these joint enterprises; apart from this, West Europe has produced the proposal of a "Marshall Plan" for the Soviet Union and East Europe. The first fruits are now visible: The sum promised by West European banks to give Moscow the chance of relieving its budget deficit of 37 billion rubles and to cope with its external economic problems has now reached $9 billion.

At the same time, the slogan of "a common European home" implies a Soviet aim to further activate the resources and productive and scientific capacities of CEMA member countries in order, among other things, to corner their industrial and technological production and, on this basis, to achieve as fast as possible the goal the Soviet Union has set for itself in the economic sphere of strengthening itself as a superpower and creating qualitatively new conditions for guaranteeing future military and economic superiority over the other superpower, the United States. Preaching about building "a common European home," alongside "the creation of a stable economic and material base and a powerful superstructure," conceals the aim of reducing to a common denominator the economic structures of the Soviet Union's East European partners on the basis of Soviet restructuring, of achieving total integration, and creating a single Eastern market according to the Western model, in order to create more favorable conditions for Soviet interests in relations with West Europe.

Turkey's Mehmet Yazar Concludes Visit

Received by Gjyzari

AU2012194688 Tirana Domestic Service in Albanian 1900 GMT 20 Dec 88

[Text] Niko Gjyzari, chairman of the State Planning Commission, today received Mehmet Yazar, minister of state of the Republic of Turkey. On this occasion, they talked about the opportunities that exist to further expand economic cooperation between our two countries in various fields of mutual interest.

The Turkish minister of state was also received by Shane Korbeci, minister for foreign trade. During this meeting, views were exchanged on the state of bilateral trade relations up to this point, and the desire to expand them further was expressed.

Teoman Surenkok, ambassador extraordinary and plenipotentiary of the Republic of Turkey to the People's Socialist Republic of Albania, was also present at these meetings, which passed in a warm and friendly atmosphere.

Trade Agreement Signed

AU2012194888 Tirana Domestic Service in Albanian 1900 GMT 20 Dec 88

[Text] The protocol of the first session of the Joint Commission for Economic, Trade, Industrial, and Technical Cooperation between the Government of the People's Socialist Republic of Albania and the Government of the Republic of Turkey was signed in Tirana today.

The protocol was signed for the Albanian side by Vito Kapo, minister for light industry, and for the Turkish side by Mehmet Yazar, minister of state. Farudin Hoxha, minister under the Presidency of the Council of Ministers; Shane Korbeci, minister for foreign trade; Sokrat Plaka, deputy minister for foreign affairs; and members of the two delegations also took part in the signing ceremony.

Teoman Surenkok, ambassador extraordinary and plenipotentiary of the Republic of Turkey to the People's Socialist Republic of Albania, was also present at these meetings, which passed in a warm and friendly atmosphere.

Departs 21 Dec

AU2112194288 Tirana Domestic Service in Albanian 1900 GMT 21 Dec 88

[Text] The government delegation of the Republic of Turkey headed by Mehmet Yazar, minister of state, which took part in the first session of the Albanian-Turkish Joint Commission for Economic, Trade, Industrial, and Technical Cooperation, left our country today.

The delegation was accompanied to Rinas Airport by Vito Kapo, minister for light industry; Gudar Toto, director of a directorate at the Ministry for Foreign Affairs; and other comrades.

Teoman Surenkok, ambassador extraordinary and plenipotentiary of the Republic of Turkey to the People's Socialist Republic of Albania, was also present.

During his stay in Albania, Mehmet Yazar visited cultural and economic institutions in the capital.

Trade Protocol Signed With SFRY

AU2012123388 Tirana ATA in English
0920 GMT 20 Dec 88

[Text] Tirana, December 20 (ATA)—The protocol on trade exchanges between the Government of the PSR of Albania and the Government of the SFR of Yugoslavia for 1989 and the agreement on creating the Albanian-Yugoslav Commission on Economic, Scientific, and Technical Cooperation was signed in Belgrade on December 19.

The protocol was signed for the Albanian side by Shane Korbeci, minister of foreign trade, and for the Yugoslav side by Nenad Krekic, federal secretary for economic relations with foreign countries.

Attending the signing ceremony were Ilija Djukic, federal assistant secretary for foreign affairs, as well as the members of the two delegations. Present were also Kujtim Hysenaj, ambassador extraordinary and plenipotentiary of the PSR of Albania in Belgrade, and Novak Pribicevic, ambassador of Yugoslavia in Tirana.

On the basis of the protocol, our country will export to Yugoslavia electric power, chrome ore, pyrite concentrate, copper wires, natural bitumen, mass consumer goods, medical herbs, and oleaginous crops, etc, and will import ferrous and nonferrous semifinished materials, steel tubes, chemical articles, synthetic threads and fibres, spare parts, machineries, etc.

Bulgarian Delegation Attends Dinner

AU2212123188 Tirana ATA in English
0915 GMT 22 Dec 88

[Excerpt] [Passage omitted] In honour of the Bulgarian minister for economic relations with foreign countries, Andrey Lukanov, the chairman of the State Planning Commission, Niko Gjyzari, gave a dinner, which was attended by the minister under the Presidency of the Council of Ministers, Farudin Hoxha; the minister of foreign trade, Shane Korbeci; and other comrades. Present also was the ambassador extraordinary and plenipotentiary of the PR of Bulgaria to the PSR of Albania, Khristaki Kunev. The reception proceeded in a friendly atmosphere.

Condolences Sent on Airliner Crash

Zhivkov Cables Reagan

AU2312191288 Sofia BTA in English
1819 GMT 23 Dec 88

[Text] Sofia, 23 December (BTA)—Mr Todor Zhivkov, president of the State Council, has sent U.S. President Ronald Reagan a cable which expresses deep condolences over the tragic accident of the Pan Am aircraft.

Message Conveyed to Thatcher

AU2312191488 Sofia BTA in English
1820 GMT 23 Dec 88

Sofia, 23 December (BTA)—Mr Georgi Atanasov, chairman of the Council of Ministers, has sent a cable to Mrs Margaret Thatcher, prime minister of Britain and Northern Ireland. It expresses condolences in relation with the aircraft accident over the Scottish town of Lockerbie.

Talks With USSR Delegations Take Place

AU2212193488 Sofia BTA in English
1830 GMT 22 Dec 88

[Text] Sofia, December 22 (BTA)—Consultations between the Ministries of Foreign Affairs of Bulgaria and the USSR on matters concerning the Nonaligned Countries Movement were held in Sofia on December 20-21. There was an exchange of views on the place and the role of the movement in present-day international relations. Mr Yuriy Lepanov, minister plenipotentiary at the Ministry of Foreign Affairs of the USSR, took part in the consultations as a representative of the Soviet side. The Soviet delegation was received by Mr Mariy Ivanov, first deputy minister of foreign affairs.

Bulgaro-Soviet consultations on problems of the Mediterranean were held December 21-22 at the Ministry of Foreign Affairs. The two sides discussed current problems of security and cooperation in this region. An agreement was reached to make the consultations between representatives of the two countries' Ministries of Foreign Affairs on these problems a regular event. The delegation of the USSR was headed by Mr Igor Andropov, ambassador at large. The Soviet delegation was received by Mr Ivan Ganev, deputy minister of foreign affairs.

Balev, Stoyanov Meet Ambassador

AU2312181488 Sofia Domestic Service in Bulgarian
1800 GMT 23 Dec 88

[Text] Comrades Milko Balev and Dimitur Stoyanov received Igor Andropov, ambassador at large at the Ministry of Foreign Affairs of the USSR, in Sofia today.

Questions of mutual interest were discussed.

LCY Orlandic-Led Delegation Arrives

AU2612162888 Sofia Domestic Service in Bulgarian
1600 GMT 26 Dec 88

[Text] An LCY Central Committee delegation led by Marko Orlandic, member of the LCY Central Committee Presidium, arrived on a working visit in Bulgaria on 26 December at the invitation of the BCP Central Committee. The delegation was greeted by Comrade Dimitur Stanishev.

The guests laid a wreath at the Georgi Dimitrov mausoleum. Afterwards talks began between delegations of the two parties' Central Committees.

Border Committee Session With SFRY Held

AU2212091888 Sofia BTA in English
0809 GMT 22 Dec 88

["Bulgarian-Yugoslavian Dialogue"—BTA headline]

[Text] Belgrade, December 22 (BTA correspondent)—The 16th regular session of the Permanent Bulgaro-Yugoslavian Committee for Application of the Agreement for Settlement of the Movement of the Border Population in the Border Areas was held in the Yugoslavian capital from 19 to 21 December. A protocol was signed, regulating the further development and improvement of relations between the two countries in this sphere.

FRG Delegation Holds 'Constructive Talks'

AU2112193388 Sofia BTA in English
1811 GMT 21 Dec 88

["BCP-GSDP: Constructive Talks"—BTA headline]

[Text] Sofia, December 21 (BTA)—A delegation of the German Social Democratic Party led by Mr Wolfgang Roth, member of the party leadership and deputy chairman of the faction of the GSDP in the Bundestag was on a visit to this country from 18 to 21 December at the invitation of the Central Committee of the BCP.

The delegation had meetings and talks with Mr Grisha Filipov, member of the Politburo and secretary of the CC of the BCP, with Mr Milko Balev, member of the Politburo and secretary of the CC of the BCP, with Mr Stoyan Ovcharov, minister of the economy and planning, and Mr Andrey Lukanov, minister of foreign economic relations.

Talks were also held at the National Assembly and at the Central Cooperative Union.

Mr Wolfgang Roth made a speech on: "Problems and Chances for Economic Cooperation East-West in the Framework of the Common Market and the EEC—1992," before collaborators from the CC of the BCP, the Ministry of Foreign Affairs and the Ministry of Foreign Economic Relations. The speech expressed support for Bulgaria's efforts in the development of mutually advantageous relations with the European Economic Community.

In the discussion of the topical issues of the international situation, the two sides hailed the ideas and proposals for further strengthening of peace, security and cooperation between peoples, contained in the speech of Mr Mikhail Gorbachev, held recently before the 43th session of the UN General Assembly.

The sides exchanged opinions and ideas on the further development of cooperation between the PR of Bulgaria and the FRG, particularly in the sphere of the economy, science and technologies, and on the contribution which the BCP and the GSDP can give in this respect.

Today the guests left the country.

Deputy Premier Stoichkov Departs for Libya
AU2712084888 Sofia RABOTNICHESKO DELO in Bulgarian 26 Dec 88 p 2

[Text] Grigor Stoichkov, deputy chairman of the Council of Ministers, departed for the Socialist People's Libyan Arab Jamahiriyah, where he will pay a working visit.

At Sofia airport he was seen off by responsible officials of the Council of Ministers, the Ministry of Foreign Affairs, and the Ministry of Foreign Economic Relations.

Balev Speaks at Sofia Oblast BCP Plenum
AU2212191988 Sofia Domestic Service in Bulgarian 1830 GMT 22 Dec 88

[Text] A plenum of the Sofia Oblast BCP Committee was held today in Blagoevgrad. The plenum was chaired by Lazar Prichkapov, first secretary of the Sofia Oblast BCP Committee. Comrade Milko Balev took part in the work of the plenum.

In the report delivered by Nikola Tonchev, secretary of the oblast BCP committee, and in the debates, a critical analysis was made of the first steps in restructuring party work, and certain practical approaches and immediate tasks were pointed out, in accordance with the December 1988 Plenum of the BCP Central Committee.

Comrade Milkov Balev made a detailed speech at the plenum.

In his concluding speech, Lazar Prichkapov, first secretary of the Sofia Oblast BCP Committee, spoke about the new criteria and measures to be used to gauge what is achieved, and of the need for more determined steps and a higher rate of restructuring in Sofia Oblast.

The plenum also considered organizational issues. Vasil Shterev was elected member of the Bureau and secretary for agricultural affairs of the Sofia Oblast BCP Committee.

Filipov Attends Lovech Oblast Council Meeting
AU2312162288 Sofia Domestic Service in Bulgarian 1600 GMT 23 Dec 88

[Text] A session of Lovech Oblast People's Council was held in Lovech today, in which Comrade Grisha Filipov took part.

The meeting discussed practical measures for restructuring internal trade and a program for increasing the supplies of consumer goods and improving trade and everyday services to the population in the period up to 1990.

Law on State Economic Plan Published
AU2212174388 Sofia RABOTNICHESKO DELO in Bulgarian 17 Dec 88 pp 1, 3

["Law on the Uniform State Plan for the Scientific-Technical and Socioeconomic Development of the People's Republic of Bulgaria in 1989" adopted at the Ninth session of the Ninth National Assembly in Sofia on 16 December]

[Text] Article 1. (1) The National Assembly, in accordance with the July Plenum Concept on the Further Construction of Socialism in the People's Republic of Bulgaria, and in accordance with the Law on the Uniform State Plan for the Country's Scientific-Technical and Socioeconomic Development during the Ninth 5-Year Plan period, adopted the following basic rates and proportions for the country's development in 1989:

1. The following rates of increase shall be achieved in 1989 compared with 1988:

a) the gross national production is expected to increase by at least 6.5 percent;

b) the national income is expected to increase by 6.2 percent;

c) social labor productivity is expected to increase by 6.4 percent, while its increase shall guarantee the total national income growth;

d) agricultural production is expected to increase by at least 8.9 percent.

e) profits stemming from the activities of enterprises and other organizations are expected to increase by at least 15.0 percent.

2. Foreign trade exchange shall develop at accelerated rates, while the integration processes with the USSR and the other socialist countries are expected to be further intensified; and industrial, as well as technological, cooperation with non-socialist countries, is expected to expand.

3. The effectiveness of capital investment shall increase by the following methods:

a) by optimally concentrating production capacities and material resources upon building projects about to be commissioned;

b) by accelerating the commissioning of basic funds and reducing the share of uncommissioned building projects in the volume of capital investments;

c) by restricting the share of architectural-construction works in capital investments, whose volume shall not exceed 3980 million leva in 1989.

Article 2 (1) The rates and ratios described in Article 1 shall be achieved by the following methods:

1. A new approach shall be applied in developing the production forces in accordance with the demands of the new historical world situation, through the planned implementation of a changeover to developing production forces of the scientific and technical type and to a new technological method of production.

2. The initiated process of structural restructuring and technological modernization shall be accelerated, while priority shall be given to the development of electronics, biotechnological, and chemical industry, to updated and progressive trends in machine building, the industry for man sector, and in the agroindustrial complex.

3. The expenditures for sciences and scientific services for the whole country shall increase by at least 8 percent compared with 1988.

4. The use of material and manpower resources and the optimal exploitation of existing and newly built production installations shall become even more effective.

5. The development of our economy shall be re-oriented to an ever increasing extent toward the requirements of the people and the aims of social policy.

6. Priority shall be given to rapidly increasing the production of consumer goods and providing services for the population over the production of means of production.

7. Inefficient production and activities shall be resolutely limited, or even eliminated altogether, and subsidies for them shall be restricted. Subsidies shall be mainly granted for the production of socially useful goods, commodities, and activities.

(2). The following measures shall be implemented on the basis of the current restructuring in agriculture:

1. Plots and agricultural crops for increasing the production of necessary alimentary products for the population and raw materials for food industry, and for the industry for man sector shall be intensively restructured.

2. The application of new and intensive technologies shall be speeded up and the necessary agricultural equipment shall be supplied.

3. The application of new organizational forms of production shall expand and prerequisites shall be created for increasing manpower resources in this sphere.

4. The system of purchasing agricultural goods shall be resolutely improved in order to guarantee its full utilization.

Article 3. The social orientation of the economy shall be intensified to allow an accelerated solution of basic problems in the sphere of social development and living standards on the following basis:

1. The following indexes shall increase in 1989 compared with 1988 as follows:

a) the real income of the population is expected to increase by at least 4.0 percent, while minimum wages are expected to amount to 140 leva by 1 July 1989;

b) as of 1 January 1989 minimal personal pensions are expected to amount to 70 leva, while minimal inherited pensions are expected to amount to 60 leva. Special allocations in addition to old age pensions are expected to be granted according to the amended pension law for cooperative farmers and for veterans of the socialist cooperative system who have participated in the establishment of labor cooperative agricultural farms.

c) per-capita social consumption funds shall increase by 7.6 percent;

d) commodity funds are expected to increase by at least 12.2 percent and exceed the growth of the population's purchasing funds;

e) retail prices of everyday life services for the population are expected to increase by at least 12.0 percent, while construction-repair services, maintainance and repair work for radio and television sets, and for motor vehicles are expected to increase the most;

f) capital investments for the nonproduction sphere are expected to increase by 12.5 percent, which includes:

housing investments—by 14.9 percent;

health care investments—by 14.1 percent;

educational investments—by 21.0 percent.

2. The necessary resources for the implementation of housing programs of municipal people's councils shall be provided for in 1989. The relative share of housing units with three and more rooms shall increase. Priority shall be given to young families and large families in housing allocation.

3. The necessary prerequisites for the establishment of a new health services organization shall be created. The construction of health establishments and the increase in the number of hospital beds shall be expanded on the basis of adapting other buildings to be used for these purposes.

Article 4. The state organs and the self-managing economic organizations shall be requested to:

1. Implement a consistent and persevering policy for protecting and restoring the disturbed ecological balance;x halting air, water, and soil pollution in excess of the permitted norms, especially in areas of large inhabited settlements, industrial centers, and in the areas of large rivers, in order to guarantee the efficient use and protection of natural resources and to eliminate the damage caused to the environment. Particular care shall be devoted to environmental protection in cities such as Ruse, Dimitrovgrad, Sofia, Pernik, Devnya, Kurdzhali, Stamboliyskui, and Razlog.

2. To adopt decisive measures for providing the development and application of waste-free and low-waste technologies, as well as other progressive technologies in production in connection with guaranteeing the necessary equipment for ecological protection activities, as well as for the timely drafting and high quality construction of purifying installations. State organs and self-managing economic organizations shall intensify their control activities and strictly apply the envisaged sanctions against violators of environment protection legislation.

Article 5. Municipal and oblast people's councils shall be requested to:

1. guarantee the comprehensive solution of socioeconomic problems and questions related to the intellectual development of territorial communities. Problems of bread production, housing, water supply, and problems pertaining to the expansion of educational, cultural, and health care facilities shall be treated on a priority basis;

2. adopt decisive measures for the improvement of traffic organization, safety, and behavior, together with the other state organs and self-managing organizations involved.

Article 6. The Council of Ministers shall provide for the implementation of the Uniform State Plan on the Country's Scientific-Technical and Socioeconomic Development in 1989 by guaranteeing the following conditions:

1. implementation of the strategy for new qualitative economic growth on the basis of expanding the country's participation in the international division of labor by developing the forms of economic cooperation and of long-term production, technological, and economic production-sharing;

2. expansion of self-management in all spheres and activities on the basis of a system of economic norms and regulators, and increasing incentives for the labor collectives in showing greater interest in the final results of their work;

3. effective management and administration of socialist property installations by the labor collectives.

Article 7. It is recommended to the Fatherland Front National Council, the Central Council of Bulgarian Trade Unions, to the Komsomol Central Committee, to the scientific-technical unions, the Union of Scientific Workers, and to other social organizations and movements to actively cooperate with state organs and economic organizations in guaranteeing the implementation of the tasks stemming from the 1989 Uniform Plan for the Country's Scientific-Technical and Socioeconomic Development.

Concluding Instructions

Paragraph 1. The Council of Ministers shall review the proposals of the National Assembly permanent commissions and of the National Assembly deputies submitted to the present National Assembly session, and adopt respective decisions.

Paragraph 2. The implementation of the present law shall be entrusted to the Council of Ministers.

The law was adopted by the Ninth session of the Ninth National Assembly at its third plenary meeting held on 16 December 1988, and was sealed with the state seal.

Stanko Todorov, chairman of the National Assembly of the People's Republic of Bulgaria.

Two Cases of Drug-Smuggling Reported

AU2012155688 Sofia BTA in English
1535 GMT 20 Dec 88

[Text] Sofia, December 20 (BTA)—Two smuggling attempts, involving more than eight kilograms of narcotics destined for Western Europe, have been foiled by Bulgarian customs officers during the last two days.

A 25-year-old Turkish citizen was arrested Sunday evening at the Kapitan Andreevo border checkpoint when seven kilograms of heroin were found in one tyre of his Dutch-registered Ford motor car.

Over one kilogram of heroin was discovered this morning in the spare tyre of a West German-registered BMW car driven by a 22-year-old Turkish citizen, who was detained at the Kalotina border crossing.

The competent Bulgarian authorities are investigating the two drug-smuggling cases.

CSSR Embassy Fears Diplomat 'Kidnapped'

BK2512062488 Hong Kong AFP in English
0617 GMT 25 Dec 88

[Text] New Delhi, Dec 25 (AFP)—The Czechoslovak Embassy here fears that a diplomat who disappeared more than a week ago has been kidnapped, an embassy spokesman said Sunday.

First Secretary Vlastimil Ludvik, 46, has been missing since he left the Czechoslovak Embassy here alone on the evening of December 15 to keep an appointment with a friend, raising speculation that he may have defected.

But the mission strongly believes he has been kidnapped, an embassy spokesman said.

"Our opinion is he has been kidnapped by a third country, this is the strongest possibility," the spokesman said. "Or he may have been a victim of a violent act."

He did not mention suspects and added that a violent act could be "anything—even murder."

A Western intelligence agency tried to recruit Mr. Ludvik when he was posted in Britain a few years ago, but the diplomat had rejected the attempt and informed his superiors, the spokesman said.

"Mr. Ludvik had been a long-time diplomat with a good career. His performance had always been appreciated," he said.

Before he disappeared Mr. Ludvik had trained for the embassy's tennis tournament and had been planning a Christmas vacation with his family in the western Indian beach resort of Goa, the spokesman said.

He did not have travel documents allowing him to leave India legally. His diplomatic passport is with the embassy, while his driving license and identity card were found in his car, which was discovered by police outside a luxury hotel in south Delhi Monday.

"All the circumstances point to kidnapping," the embassy spokesman said.

The spokesman said Mr. Ludvik's wife had left with their 15-year-old daughter for Prague on Wednesday to join her 21-year-old son.

He said Mrs. Ludvik did not think her husband had defected. "She is convinced her husband became a victim of a violent act," he added.

Mr. Ludvik, whose age had earlier been given by police as 38, has not been seen or heard from since he left the embassy at 6 p.m. on December 15 saying he had a dinner date with a friend.

The Czechoslovak Embassy reported him to police as a missing person the next day.

Indian newspapers have drawn parallels between Mr. Ludvik's disappearance and the defection of two Soviet officials in India in recent years.

Indian officials said they were pursuing all possibilities, including defection, but refused to elaborate beyond saying that no clues had so far surfaced in the investigations.

Comparison of Report on Gorbachev Initiative

Prague RUDE PRAVO in Czech on 17 December on page 1 carries the 350-word "Standpoint of the CPCZ Central Committee on the New Initiatives Put Forward by Comrade Mikhail Gorbachev at the 43d UN General Assembly Session," approved by the CPCZ Central Committee at its 12th plenary meeting in Prague on 15 and 16 December. The RUDE PRAVO report has been compared with the Prague Domestic Service Czech version, entitled "Gorbachev Initiative Approved," published in the 19 December East Europe, page 11, revealing that the two versions are identical, except for the following variations:

page eleven, column one, paragraph one, first sentence to paragraph two, sentence two reads... At its session held on 15 and 16 December 1988, the CPCZ Central Committee highly assessed the new Soviet initiatives declared by Mikhail Gorbachev, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet Presidium, at the 43d session of the UN General Assembly. We see them as a comprehensive... (supplying opening passage of statement);

same page, same column, paragraph two, sentences three and four read ...the priority of all-human values. In its... (changing "humanitarian" to "all-human");

same page, column two, last paragraph, last sentence reads ...of European disarmament.... (deleting third person interpolation)

The "standpoint" is published in identical form by Bratislava PRAVDA in Slovak on 17 December on page 1.

Jakes Receives EEC's De Clercq

LD2212000388 Prague CTK in English
1935 GMT 21 Dec 88

[Text] Prague Dec 21 (CTK)—Czechoslovak Communist Party General Secretary Milos Jakes received here today visiting member of the Commission of the European Communities responsible for external relations and trade Willy de Clercq and welcomed his visit, the first of an EC Commission member to Czechoslovakia, immediately after the signing of the Czechoslovak-EEC agreement.

Milos Jakes appreciated the agreement on industrial products trade as a significant step on the road of prospective cooperation. He acquainted the guest with the character of the changes which are under way in all spheres of life in Czechoslovakia. He focused on the objectives and methods of the current economic reform. He stressed that the adopted legislative measures create more favourable conditions for cooperation of Czechoslovak entreprises with foreign partners as well as for foreign companies' activities in Czechoslovakia. The country strives for wider participation in the international division of labour, a more effective use of modern technologies in production, services and environmental protection.

Willy de Clercq said that the changes in the international situation, in the policies of socialist countries and in EEC attitudes create an atmosphere of confidence, in which a reliable base must be formed for the development of cooperation corresponding to common interests. He called for further steps for its expansion.

Johanes Receives FRG Parliamentarian Ruehe

LD1512221988 Prague CTK in English 1454 GMT 15 Dec 88

[Text] Prague Dec 15 (CTK)—Czechoslovak Foreign Minister Jaromir Johanes received here today vice-chairman of the parliamentary CDU/CSU [Christian Democratic Union/Christian Social Union] group Volker Ruehe to discuss the strengthening of European security and cooperation.

They dealt in particular with the issue of reducing conventional weapons and troops in Europe.

The two sides said they were interested in further promoting the political dialogue and all-round cooperation between the two countries.

Volker Ruehe arrived here Wednesday at the invitation of the Czechoslovak Committee for European Security and Cooperation.

Zdenek Mlynar Questioned on Leadership Changes

PM1912164688 Rome LA REPUBBLICA in Italian 16 Dec 88 p 16

[Interview with former CPCZ Secretariat member Zdenek Mlynar by Andrea Tarquini; date and place not given]

[Excerpt] [Passage omitted] What does Bilak's resignation signify? We put this question to Zdenek Mlynar, who was Dubcek's special adviser during the Prague Spring and Gorbachev's classmate at university.

"Whatever Bilak's departure may signify, it is heartening. The important point is that it is not an isolated event. Let us remember the autumn plenum: The dovish Strougal was expelled and Bilak surrendered ideology to the hard-liner, Fojtik. He assumed responsibility for international affairs. Now Jakes and his group are ridding themselves of the hawkish Bilak and thus trying to strengthen themselves by seeking the image of a centrist group."

[Tarquini] Will the CPCZ's options change without Bilak?

[Mlynar] We do not yet know who will replace him. However, until yesterday Bilak was a symbol of the Brezhnev era and of the entire "normalization." Therefore his mere exit from the scene is in any case very important as a political symbol: Symbolically, it signifies the disappearance of a huge obstacle.

[Tarquini] Will the reformers, the Gorbachevians, within the CPCZ feel stronger?

[Mlynar] I fear not. It seems to me that the reforming current is still too weak within the party. We will have to wait and follow the developments of the situation carefully and cautiously. At the moment I believe that without new men—truly and entirely new—there cannot be a change of course. We cannot expect leaders such as the present leaders to decide upon and implement from above a change reminiscent of that implemented by Mikhail Gorbachev in Moscow.

[Tarquini] Are the current economic reforms not a sign of change?

[Mlynar] The leadership is trying to modernize the economy in the face of the economic lag. However, this is a long way from the market economy and free choice in Moscow, Budapest, and Warsaw. Of course the granting of authorization to dissident demonstrations and the end to the jamming of Western radio broadcasts is significant. It is equally true, however, that immediately after last Saturday's great demonstration marking the 40th anniversary of the Declaration of Human Rights, which passed without incident, the official organ RUDE PRAVO launched a violent attack on the demonstrators and organizers. In other words, the Jakes group is pursuing a zigzag policy. The same applies to the economy: They are trying to decentralize and to lop the dead wood, but they are not adopting radical options like the Soviets and Hungarians. The apparatus is reassured: There will be no resumption of the dialogue with the "antisocialist forces."

[Tarquini] What influence will the Soviet withdrawal have on the Prague leadership?

[Mlynar] Well, as long as they withdraw only one armored division it will not have much direct impact. Having said that, however, we are waiting to see what its long-term, indirect impact could be. Are you asking me whether the Soviet military umbrella over the East European regimes is being reduced? I cannot even tell you for certain whether that umbrella still exists or whether it is still open. [passage omitted]

Civil Rights Activist Released Early

AU2012130688 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 20 Dec 88 p 5

[KNA report: "Catholic Civil Rights Activist Released in Prague"]

[Text] Prague, 19 December—Ivan Polansky, a Catholic civil rights activist, who was sentenced to 4 years imprisonment on account of his advocacy of more religious freedom in the CSSR, has been released before having served his full term. Polansky, who is suffering from heart disease, was allowed to leave prison last Thursday [15 December] and to return to his family. This was announced by the International Committee for Human Rights in Frankfurt on Monday [19 December], which received the information from Prague civil rights activists. Polansky was convicted for "subversive activities" and sentenced to 4 years imprisonment, according to section 98 of the CSSR Penal Code, in December last year. In December this year, the sentence was reduced by 2 years because of an amnesty, and on 15 December Polansky's application for release was granted.

Bishop Rebuts Report of Letter on Rally

LD2112235388 Bratislava Domestic Service in Slovak 1730 GMT 21 Dec 88

[Text] Last Saturday, the Voice of America carried a report from the Austrian press agency CATHPRESS according to which, allegedly on the basis of reports from well-informed circles, Dr Jozef Feranec, bishop of Banska Bystrica and chairman of the Corps of Ordinaries of Slovakia, had written a letter to then Slovak Premier Peter Colotka in March this year. According to the report he had condemned the action taken against the unlawful rally of believers held in Bratislava last March. To protest the alleged police brutality, he returned the Order of the Republic and reassessed in a negative sense the activity of the church peace association, Pacem, in Terris.

The fact that this was a case of misusing a highly placed church figure is testified to by the words of Bishop Feranec himself, who asked us to give him an opportunity to speak on this matter. He was visited by Lubomir Krno, an editor:

[Begin recording] [Krno] The bishop handed me a copy of a typewritten letter, which truly is disturbing. On the page are the following words in his own handwriting: Impudent falsehood. I have never written anything like this.

This, in effect, says it all. However, I believe, Bishop, that this must have affected you a great deal.

[Feranec] I was greatly affected by it. particularly because it happened now at Christmas, which is a festival of joy, peace, understanding, and mutual understanding. It is not desirable that a mood of anger and untruth is brought into public life. I believe that we are seeking what unites us and not what divides us.

We are trying to tackle all existing problems in a truly appropriate manner: by dialogue. I want to repeat that such methods are employed against our society as well as against the church and church dignitaries.

[Krno] What, then, do you think about the forces which have been trying in this rather blatant manner to not only slander your person but to drive a wedge between the state and the church as well?

[Feranec] These forces, which are driving a wedge between the church and the state, are not sufficiently aware of the true relations between the church and the state. People live and work peacefully in our state. By means of a dialogue, we are seeking possibilities between the church and the state to remedy everything that has become a problem in some instances. I believe that much has improved recently, whether it be religious instruction, the admission of students to study divinity, or press publications, and this should convince those who are insufficiently aware of the relations between the church and the state that our endeavors through a dialogue have certainly had good and satisfactory results. [end recording]

Federal Assembly Chambers 12th Session Ends

AU2112082788 Prague RUDE PRAVO in Czech 15 Dec 88 pp 1, 2

[Marie Koenigova report: "12th Joint Session of CSSR Federal Assembly Chambers Ends; Labor Code Changes Approved"]

[Excerpts] Prague—The labor code to codify the rights and duties following from an employment contract must also cope with the new tasks of our social and economic life. That is also why the labor code amendment was the main item on the agenda of the final day of the 12th session of the CSSR Federal Assembly Chambers. In a nationwide, democratic public discussion (opened in March 1988), three million citizens had expressed their views on the draft amendment, and up to 150,000 suggestions, comments, and statements had been received from the collectives of working people and individual citizens. The deputies also approved the law on court organization and the elections of judges, and the law on the Prosecutor's Office.

One of the most significant changes in the labor code is the introduction of a uniform 2-month period of notice and the cancellation of an employee's obligation to supply a reason for terminating his employment contract. Organizations are given the right to decide on manpower reduction in order to enhance labor effectiveness (or because of other organizational changes). Other

new regulations provide for temporary duty assignments in other organizations on the basis of an agreement, and introduce simplified proceedings for concluding employment contracts for a certain period, or contracts on work outside the employment contract. The purpose of all this is to make use of the working people's initiative to improve services and other activities. Organizations now have the right to give employees notice for serious violations of working discipline.

Moreover, punishment for drinking alcoholic beverages on working premises and for other drug and narcotics abuse will be more severe. [passage omitted] The draft amendment was presented by Miloslav Boda, CSSR minister of labor and social affairs.

The standpoints of the committees were presented by their joint reporters, Josef Bartoncik and Stefan Trsko. Bartoncik briefed those present on the preparation of the session by Federal Assembly agencies. [passage omitted] Stefan Trsko stressed the sociopolitical significance of the amendment, which corresponds to the current economic development and is aimed (inter alia) at improving the orientation of employment planning and at dealing with the socioeconomic consequences of structural changes. At the same time the working discipline and the authority of economic executives (above all on the lower management levels) must be enhanced. [passage omitted]

The deputies concluded their session by approving the changes proposed by the Central Committee Presidium of the CSSR National Front for the offices of deputy chairman and judges of the CSSR Supreme Court, and for the offices of professional judges attached to military courts; the rationale for the changes was presented by Rudolf Rohlicek, deputy Central Committee chairman of the CSSR National Front.

This concluded the session, the second day of which was attended by Comrades Milos Jakes and Ladislav Adamec.

After the end of the session, the Central Committee Presidium of the Federal Assembly convened with Alois Indra, Federal Assembly chairman, in the chair, in order to promulgate the laws approved at the 12th session of the two chambers.

Janak Addresses Slovak National Front Session

AU2212144788 Bratislava PRAVDA in Slovak 13 Dec 88 p 1

[CTK report: "Central Committee of the Slovak SR National Front Convened: Raising the Working People's Creative Participation"]

[Excerpts] Bratislava— At its session in Bratislava yesterday [12 December] the Central Committee of the Slovak SR National Front assessed the knowledge and experience acquired in implementing the document of the CPCZ Central Committee Presidium on the activation of the National Front, as well as other issues.

The session was opened and chaired by the committee's chairman, Ignac Janak, CPCZ Central Committee Presidium member and first secretary of the CPSL Central Committee. At the session he welcomed Viliam Salgovic, CPSL Central Committee Presidium member, chairman of the Slovak National Council (SNR), and chairman of the Slovak Central Committee of the Czechoslovak-Soviet Friendship Society (SCSSP); Ondrej Saling, CPSL Central Committee Presidium member and Central Committee secretary; and Milan Grande, Central Committee secretary of the Czech SR National Front; and others.

I. Janak presented the proposal of the Central Committee of the Slovak SR National Front to grant membership in the Slovak SR National Front to the Union of Slovak Nature and Landscape Conservationists (SZOPK), which had applied for it. [passage omitted] The session of the Central Committee of the Slovak SR National Front approved the proposal to admit the SZOPK to the Slovak SR National Front.

Comrade I. Janak also presented the proposal to carry out several changes in the delegations of the Central Committee of the Slovak SR National Front, in its Presidium, and in the Slovak Election Commission of the National Front. The session approved the membership of Juraj Janosovsky, chairman of the Slovak Central Committee of the Socialist Youth Union; of Jozef Kosnar, chairman of the Slovak Central Committee of the CSSR Socialist Academy; and of Andrej Fedorek, SZOPK secretary, in the Central Committee Presidium of the Slovak SR National Front. Ondrej Saling, CPSL Central Committee Presidium member and Central Committee secretary, was elected chairman of the Slovak Election Committee of the National Front.

Daniel Futej, deputy chairman of the Slovak SR National Front, evaluated the knowledge acquired in activating the National Front. [passage omitted]

He also pointed out the continuing difficulties, such as creating unnecessary resolutions instead of elaborating the existing measures for local needs, the inadequate practical unification of views, the insufficient supply of objective information, the insufficient coordination of the activities of individual components of the Slovak SR National Front, etc. He stressed the need to improve the conceptual, cognitive, coordinating, control, and methodical work of the Central Committee of the Slovak SR National Front and to enhance the personal involvement and activity of all its members. [passage omitted]

I. Janak spoke toward the end of the session. He expressed appreciation for its businesslike deliberations, for its efforts to find ways out of the situation and to search for new approaches in enhancing the ability of the agencies and organizations of the Slovak SR National

Front to act, in order to help implement the CPCZ's socioeconomic strategy of accelerating development and of attaining restructuring and democratization in society. However, he said, not all resolutions are being carried out consistently, in harmony with our possibilities and needs. The development of the specific activities of organizations, the various forms of competition, and the participation in social control must all be oriented toward mobilizing forces and stepping up discipline for the sake of comprehensively accomplishing the tasks of the 5-year plan. He said that preparing young people for life in socialism is a particularly important task.

I. Janak stressed that the democratization process demands the more effective use of all possibilities—including the development of a dialogue with all strata of society, but also the will to look for common solutions in issues where controversial points can crop up. [passage omitted] The agencies of the Slovak SR National Front must step up their efforts to help coordinate the work and endeavors of organizations, to stimulate the people's activity and creativity, and to unify efforts aimed at intensifying the socialist way of life and socialist development.

CPSL Central Committee Presidium Convened

AU2212143188 Bratislava PRAVDA in Slovak 13 Dec 88 p 1

[Unattributed "Report on CPSL Central Committee Session"]

Bratislava—At its session yesterday [12 December] the CPSL Central Committee Presidium dealt with the preparations for the coming CPSL Central Committee session. In this context, it assessed the draft report on social and economic development in 1988, on the 1989 Plan, on the progress in restructuring the economic mechanism in the Slovak SR, and on the tasks which will follow from the 12th CPCZ Central Committee session in regard to the work of Communists in Slovakia. The presidium also discussed the drafts of certain background documentation for CPSL Central Committee members and candidate members.

The CPSL Central Committee Presidium also assessed the draft of the cadre roster of the CPSL Central Committee, in which the extent of the CPSL Central Committee nomenklatura and that of its agencies will be substantially reduced, compared with the current state.

The CPSL Central Committee Presidium also discussed other organizational and cadre issues.

Husak, Indra Meet With Fellow Countrymen

AU1512125788 Prague RUDE PRAVO in Czech 8 Dec 88 p 1

[CTK report: "Comrades Gustav Husak and Alois Indra Received a Delegation of Fellow Countrymen; Loyalty to the Traditions of the Previous Generations"]

[Excerpts] Prague—At Prague Castle on Wednesday [7 December] CSSR President Gustav Husak received a group of fellow countrymen who are currently attending the celebrations of the 60th anniversary of the founding of the Czechoslovak Foreign Institute.

In a cordial chat Comrade Gustav Husak expressed how highly he valued the efforts of the organizations of fellow countrymen to preserve national traditions, nurture the Czech and Slovak cultural heritage, and maintain lively contacts with Czechoslovakia. He spoke with recognition about the share of the fellow countrymen in the inception of our Republic 70 years ago, and in the antifascist struggle on various fronts of World War II.

He briefed the guests from abroad on the contemporary development of socialist Czechoslovakia, on the changes occurring in connection with the reform of the national economy and the democratization of the entire social life. He stressed the active contribution of Czechoslovak foreign policy to the endeavor of nations to improve the international atmosphere, and expressed the conviction that an intensification of contacts with the movement of the fellow countrymen in various countries contributes to better understanding among nations and helps to create a favorable climate for mutually advantageous international cooperation in all spheres. In closing, the CSSR president wished the guests a pleasant stay in Czechoslovakia and much success in their meritorious activity. [passage omitted]

Alois Indra, CPCZ Central Committee Presidium member and chairman of the CSSR Federal Assembly, received the delegation of the functionaries of organizations of the fellow countrymen on the same day.

The chairman of the CSSR Federal Assembly expressed appreciation for the energetic activity of their organizations, which contribute to preserving patriotic sentiments among citizens of Czechoslovak origin. By their creative work they maintain the valuable traditions of their fathers and grandfathers of previous generations. He noted the credits of their organizations, which 70 years ago helped morally and materially to found an independent Czechoslovakia. In World War II they played an important role in organizing Czechoslovak resistance abroad. Alois Indra also spoke briefly about the tasks of our society in further developing and deepening socialism in the CSSR. He assured the fellow countrymen that no matter how complex the problems we will be tackling are , we will not forget to cooperate with them. He stressed that when pushing through the peaceful objectives of our foreign policy, we will continue to cooperate with all progressive forces striving to save the world from a nuclear war and for life in peace and tranquility. [passage omitted]

Honecker Sends Condolences on Pan Am Crash

AU2712105588 East Berlin NEUES DEUTSCHLAND in German 23 Dec 88 p 1

[ND report: "GDR Condolences on Plane Crash in Lockerbie; Erich Honecker's Telegram to M. Thatcher and R. Reagan"]

[Text] East Berlin—Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, has sent telegrams to Margaret Thatcher, prime minister of the United Kingdom of Great Britain and Northern Ireland, and to U.S. President Ronald Reagan condoling them on the crash of the U.S. Boeing 747 in Lockerbie, Scotland.

The telegram to the British head of government reads as follows:

On the tragic disaster as a result of the plane crash in Lockerbie, which has claimed numerous lives, I convey to you and to the relatives of the victims my most profound sympathy.

Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council.

The telegram to President Ronald Reagan reads as follows:

On the tragic crash of a passenger plane of the U.S. airline Pan Am in Scotland, I convey to you my sincere sympathy. I ask you to convey to the relatives of the victims of this disaster my most profound condolences.

Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council.

U.S. Readiness for Dialogue With PLO Viewed

AU2212142888 East Berlin NEUES DEUTSCHLAND in German 19 Dec 88 p 2

["G.P." article: "With an Olive Branch"]

[Text] From time immemorial, the olive branch has been considered a symbol of peace. Before the UN General Assembly in Geneva, PLO leader Yasir 'Arafat extended his hand to the world, holding an olive branch as an expression of the Palestinian people's longing for peace. Let us make peace, he said. "May those voices be listened to which are in favor of the olive branch, peaceful coexistence, and international detente."

With the resolutions of the National Council in Algiers, the Palestinian people's struggle for self-determination and for founding their own state entered a new phase. With 'Arafat's speech before the United Nations Organization, it was clearly stessed once again that the state of Palestine will be committed to peaceful coexistence.

International reaction was clear. The UN General Assembly passed five resolutions by an overwhelming majority, resolutions demanding a just, lasting, and comprehensive settlement of the Arab-Israeli conflict, with the Palestinian issue being the centerpiece. At least equally significant is the fact that the United States, which together with Israel were the only ones to vote against the resolutions, felt compelled to resume a dialogue with the PLO after 13 years of boycott. The West Berlin daily TAGESSPIEGEL stated the main reason for Washington's change of mind: If the United States had refused to hold a dialogue with the PLO, "it would have lost all his influence on the peace process in the Middle East."

Be that as it may—the dialogue between the United States and the PLO can only be conducive to the peace process, as Erich Honecker and Yasir 'Arafat said in their talks in Berlin immediately after Geneva. The new situation also offers Israel an opportunity to participate in the attempt to find a constructive solution.

More than 40 years have passed since the UN General Assembly adopted Resolution 181 (II) on 29 November 1947. It envisaged independence for the former British mandate of Palestine, and dividing it into a Jewish and a Palestinian states. After the Jewish state was founded in 1948, the Palestinians' internationally chartered claim has now been realized with the proclamation of a state.

As the experience of history says, confrontation does not give credit to any nation. Time is overly ripe for a peace settlement in the Middle East. The road to such a settlement leads via an international peace conference under the auspices of the United Nations Organization and with the participation of the five permanent Security Council members as well as all interested sides. However, this requires that all parties to the conflict meet each other halfway with good intentions—with an olive branch in their hands.

Bundeswehr, NATO Program Criticized

AU2712111688 East Berlin NEUES DEUTSCHLAND in German 22 Dec 88 pp 2,4

["He." commentary: "Does the Bundeswehr Have a Hostile Image?"]

[Text] Yes, it does have a hostile image. In view of a number of positive changes in international relations, particularly following the introduction of disarmament, it is not mentioned in public so often now. FRG Defense Minister Scholz even claimed that the Bundeswehr "has never had a hostile image." But the same minister speaks incessantly about the "threat from the East," which must be countered with the strategy of "nuclear deterrence." When Rear Admiral Schmaehling was asked about his idea of a hostile image, he stated: "The Bundeswehr describes it as the threat from the Warsaw Pact."

Thus, the Bundeswehr does have a hostile image, and it continues to be linked with socialism, with the worker-peasant power. Is it not characteristic that NATO Secretary General Woerner spots a "unique opportunity" to bring about a "reorganization of Europe?" "We can no longer afford to view the process East - West developments within the framework of the current status quo (!). We must go further and initiate a dynamic process by means of which we will create a new political order in Europe," he pointed out. This is ultimately tantamount to taking into consideration a war against socialism.

And now let us compare a study with this "dynamic process" that was drafted by the NATO commander in chief for central Europe, Bundeswehr General von Sandrart under file number Fue H III 1-31-05-00-VS-NfD for a new offensive strategy on the part of the Bundeswehr. This study calls for "cross-border fire and cross-border operations by the Air Force" as well as for "fighting the enemy in depth" right at the beginning of a war. The Bundeswehr is to wage the war "in an aggressive manner (!), willing to achieve success." A nuclear strike should ensure victory.

The hostile image is one of the main motives for the Bundeswehr's and the political leadership's adherence to an absurd armament program. In contradiction to his previous statements that peace is to be brought about with fewer weapons, Chancellor Kohl again rejected a zero option in the sphere of short-range missiles a few days ago. He supports his defense minister who "sticks to a balanced concept of nuclear and conventional armed forces." Those who profit from the arms race and who do not like the borders that resulted from World War II and from postwar developments, apparently want increasingly more weapons.

NATO leaders and Bundeswehr generals loudly deplore the "gaps" that have been created through the Soviet-U.S. treaty on the elimination of intermediate-range missiles. They are trying to "compensate" for these types of weapons. A new "Lance" missile (range nearly 500 km, instead of 100), which is practically a new intermediate-range missile, is to be introduced, for example. And in addition to that, all existing systems are to be "modernized." This applies primarily to the short-range nuclear missiles, the modernization of which is already under way. This is the beginning of a new arms race.

The fact that the unilateral reduction of the USSR's Armed Forces by 500,000 soldiers, 10,000 tanks, 8,500 artillery systems, and 800 combat aircraft, announced by the Soviet Union, was only answered with a half-hearted yes by Bonn, is also significant. Does this mean that the Warsaw Pact should make more advance concessions before Bonn sees a "need for action?" Basically, this implies that NATO has not abandoned its efforts to strive for military superiority.

In this connection, it should be stressed that the majority of FRG citizens—between 75 and 94 percent, according to opinion polls—resolutely reject the armament plans. The reason is that, in view of the specific disarmament proposals of the Warsaw Pact states, in which no type of weapons is spared and which aim at an inability to attack in the sphere of conventional armed forces, people no longer believe the lie about the "threat." NATO and the Bundeswehr leadership also complain noisily about "insufficient acceptance" of their strategy of "deterrence," which in reality carries the risk of a nuclear inferno.

There is also another aspect: The truly anticommunist hostile image of the Bundeswehr is being nourished by reactionary traditions that continue to be alive in the "troop spirit" and the political-military targets. One needs only think of the names of barracks, air bases, and ports, such as the Hindenburg barracks in Neumuenster, the Tirpitz port in Kiel, the Tannenberg barracks in Braunschweig, the East Prussian barracks in Homburg, and the Pomerania barracks in Wolfhagen. One can is easily see what arch-military models and targets are behind these names. To claim that the Bundeswehr does not have a hostile image is fraud and falsehood.

As far as we are concerned, our National People's Army [NVA] has a completely different tradition: a tradition of the people's struggle for liberation from exploitation and oppression, a tradition of the revolutionary workers movement and antifascist resistance, against militarism and war, for peace, freedom, and friendship among peoples.

The NVA understands its task in complete agreement with our peace and disarmament program. Its assignment derives from the military doctrine of the Warsaw Pact states and the GDR military doctrine, whose character is purely defensive. Our guiding principles are: not to permit a war; never to start a war, neither with nuclear nor with conventional weapons; not to threaten anyone; not to regard any people or any state as an enemy; not to make territorial claims; to strive for a military balance at the lowest possible level.

The GDR defense minister, Army General Heinz Kessler, stated in an interview with the FRG weekly DIE ZEIT: "We consider those who attack our state and social system, the life or the freedom of our citizens or those who prepare such attacks directly and purposefully to be our enemies." It is those who want to change the status quo, the existing borders, the results of World War II, and postwar development, those who draw huge profits from the arms race, that is practically all those who, through their political and economic ambitions, conjure up the danger of a new war, and those who play fast and loose with the life and the future of the whole of mankind.

Our NVA, side by side with the Soviet Union and the other fraternal armies, is making a sizable contribution to ensuring security here at the sensitive dividing line between the two world systems. As a result, Europe has been living in peace for 43 years.

As Erich Honecker pointed out at the seventh Central Committee session, we do not overlook the fact "that those opposed to any kind of disarmament are increasing their activities. For this reason, the extent of our defense measures does not depend on our wishful thinking but is determined by the degree of the potential threat. We are shaping the GDR's national defense in the interest of its citizens and in accordance with our conditions, the topical requirements, and our obligations within the alliance."

Outgoing FRG Representative Interviewed

AU2312165188 East Berlin DER MORGEN in German 21 Dec 88 p 5

[Interview with State Secretary Hans Otto Braeutigam, head of the FRG Permanent Representation to the GDR, by Hans-Juergen Nagel and Frank Mangelsdorf: "Impulses for Europe Are Expected From the Two German States"—date and place not given]

[Text] DER MORGEN: You have headed the FRG permanent representation since 1982. How do you assess the development of relations between the two German states since then?

Braeutigam: Relations have consolidated, cooperation has increased, and new focal points have emerged. Apart from trade, it is scientific-technological cooperation, environmental protection across borders, and cultural exchange that play an important role. The political exchange of opinion has become more substantive. Both sides consider it to be important that they are closely acquainted with the view of the other side, even though they do not necessarily share the other party's view. Generally, a process of confidence-building has been initiated that is based on mutual respect, predictability, a feeling of closeness and, not least, on the fact that neither side wants to harm the other. With some optimism one could say that, in spite of all antagonism and based on a businesslike evaluation of mutual interests, a partner relationship between the two German states has become conceivable.

DER MORGEN: The GDR has repeatedly stressed its firm intention to progressively give life to the agreements that were concluded in the joint communique during Erich Honecker's visit to the FRG. The GDR considers this communique to be an important and practical document. What is the FRG's approach to these agreements?

Braeutigam: The FRG Government and the political parties in the FRG attach great importance to the arrangements and agreements that were concluded during the Honecker visit. We are trying to animate them. A number of important steps have been made since Honecker's visit.

As a case in point, I only want to mention the agreement on a linked electrical grid, the new flat transit fee that will come into force in 1990, the beginning of negotiations on a fast train service between Berlin and Hannover, the imminent resumption of expert talks on the water quality of the Elbe River, and the implementation of working programs in the fields of culture, environmental protection, science, and technology. The development in tourist traffic, which now involves millions of people in both directions, is particularly important. We also hope that tourist trade will be progressively developed.

On the whole, FRG-GDR relations are developing very dynamically, which not only the governments, but also the great majority of citizens in the two states welcome and support. I can note with satisfaction that West Berlin has been included in this cooperation and benefits from it. Of course, these things do not always function without any friction at all. Every now and then certain things get stuck. There is a lack of flexibility and there is red tape on both sides. Therefore, neither those who are responsible nor the permanent representatives must lose patience; rather, they should continue to push forward if, in some instances, the elan threatens to disappear on the long and bureaucratic road.

However, the two governments have no reason to content themselves with what has been achieved. Much remains to be done. For example, one could specifically think about how the quality and degree of economic cooperation could be enhanced in the interest of the people on both sides. Another important subject is the exchange of information. Up to now, neither side has fully utilized all possibilities of making access to books and magazines easier. Mutual respect and confidence-building requires a more profound familiarity with the conditions and ideas of the other side. This is why a businesslike and precise form of media coverage is so important.

As we all know, based on the way each sees itself, there are still basic questions on which the two sides have differing views. We will not be able to overcome these antagonistic views in a short time. Mutual criticism that is based on facts does not do any damage, but is for the benefit of both sides.

DER MORGEN: Recently, there have been a number of meetings and talks on different levels. In your view, has the conviction been strengthened that businesslike and factual political dialogue is possible, because extending relations between the two German states is regarded as a stabilizing element in international developments?

Braeutigam: There have been many examples of businesslike dialogue between the two German states. I also think that people who are even more politically or social-minded will participate in these contacts in the future. Restless and often critical young people should also be given a chance to do this.

Political dialogue between the Germans is important for Europe as a whole. In the interest of smooth coexistence in Europe, significant impulses are expected from the two German states in particular. Therefore, they should

not only see themselves as a stabilizing element, but as driving forces that can achieve and move a lot if they cooperate in a responsible way.

DER MORGEN: What possibilities do you see for independent contributions by the two German states that correspond to their responsibility with regard to peace in Europe? Certainly, there are concurring views on a number of important issues; however, the Western alliance still has to find a constructive answer to the concrete proposals of the GDR and the Warsaw Pact member states.

Braeutigam: In the atomic age there can be no argument that the duty to maintain peace is a prime necessity. Due to their geographical situation and responsibility, this is particularly true for the German states, but also for all others.

Today, the two German states have concurrent or at least similar views on the important questions of securing peace. A worldwide ban on chemical weapons and the attainment of conventional stability in Europe on a considerably lower level are particularly urgent. At the moment, the NATO states are working out a realistic concept for conventional disarmament. Nobody should worry about the fact that this task will take some time. I am sure that, once the Vienna CSCE conference is concluded, negotiations on conventional stability will begin early next year. Independent contributions by the two German states will play a less important role in this context. What matters is that they will be able to provide the right incentives for result-oriented negotiations between all participants. What we aspire to in these negotiations is a situation in which no side will be able to launch a military offensive any more. This is why we have been greatly encouraged by General Secretary Gorbachev's significant speech at the 43d session of the United Nations General Assembly in New York on 7 December.

However, we are not only interested in further disarmament steps. Beyond that, we are trying to work toward a stable and just state of peace in Europe, in line with the Helsinki Final Act.

DER MORGEN: You will soon be FRG ambassador to the United Nations in New York. As a private citizen, what did you find particularly interesting in the GDR?

Braeutigam: Unfortunately, as head of the permanent representation, one has very little time for private interests. One acts almost always officially or has to deal with official matters.

Whenever I had time for myself, I took a particular interest in arts and literature in the GDR. Over the years, I have discovered that these are the fields in which the talents and creativity of the people who live here have become particularly prominent. I am referring, above all, to Christoph Hein, Guenter de Bruyn, Christa Wolf, and Gerhard Wolf. I learned a lot about the GDR from the books of Hermann Kant, for example from "Impressum," before I got to know him personally. Books by Stefan Heum and Stefan Hermlin are among those that have been important to me in the past 20 years. We will take several paintings which we bought in the GDR to New York with us, and books that have been published here. There they will remind us of our time in the GDR in the most beautiful way. I never got round to walking across Rennsteig, not even once. I had plans to do so every year, but something unexpected would always happen. I still want to do that, and therefore I will come back one day, and I am looking forward to it.

Arrests of Exit Visa Seekers Reported

AU2412162688 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 24 Dec 88 p 1

[Unattributed report: "Series of Arrests in the GDR"]

[Text] Frankfurt, 23 December—A comprehensive series of arrests of exit visa seekers has taken place in the GDR during the past few weeks. This was announced on Friday [23 December] by the Frankfurt-based International Committee for Human Rights. The arrests were concentrated in certain areas. A large number of persons have apparently been detained in Gera Bezirk and in the Naumberg/Saale region. According to information received so far, investigations have been instituted against many persons because of "interference in state or social activities," for which they are facing between 1 and 2 years imprisonment. More frequently than in recent years, charges are again being brought because of "preparations for fleeing from the Republic," which is also punishable by imprisonment. According to indications of the Committee for Human Rights, there are currently well over 2,000 political prisoners in the GDR.

Stoph Speech on 1989 Plan 'Pretends' Prosperity

AU2212121188 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 22 Dec 88 p 11

[Klaus Kemper commentary: "The Ground Is Becoming Increasingly Shaky"]

[Excerpt] "The GDR has demonstrated during the past few years that it is capable of keeping pace with the international speed of the development of productive forces, of achieving top-level performances and applying them in an economically efficient manner." It is hard to imagine that the chairman of the GDR Council of Ministers, Willi Stoph, is really convinced of this bold statement. The same applies to the entire leadership in East Berlin. However, the adoption of the 1989 national economic plan again served as an occasion for praising socialism and its achievements for the people in long speeches full of great words.

How much longer do the politicians in the other part of Germany want to keep alive the story of the "superiority of socialism" and pretend in their propaganda speeches that the GDR is a "flourishing" country? How much

longer will they be able to afford to simply ignore the realities of everyday life and to conceal the real extent of the growing economic difficulties?

It happens increasingly often that they are forced to call on the citizens to show more commitment in their work and to admonish them to increase the struggle against sloppiness and carelessness. Forty years of experience with the planned economy should have been sufficient to make the economic planners in the GDR realize that this system does not work—at least not according to the yardsticks that they themselves set in their speeches.

The achievements of socialism are not felt in practical life, and it is ridiculous to speak of superiority over capitalism. Undesirable developments have also taken place in the FRG—one of them being the continued high unemployment rate. The socialist leaders always point out that unemployment does not exist in their countries. However, this is rather a question of definition than of statistics.

In reality, this is exactly the weak point of the system. Despite the fact that over 50 percent of the GDR's population are engaged in regular work and, thus, employed, socialism in the GDR continues to be incapable of meeting the people's needs. And prospects are bleak that anything might change in the near future. The 1989 national economic plan that was adopted by the People's Chamber has again furnished evidence of this. [passage omitted]

Economic Statistics for November Published

AU1112190688 East Berlin NEUES DEUTSCHLAND in German 7 Dec 88 p 1

[Text] East Berlin (ADN)—According to preliminary statistics, by the end of November, growth of net products of the economy as a contribution to the increase of the produced national income amounts to 3.8 percent in industry, 4.4 percent in the construction sector, 3.4 percent in transportation, post and telecommunications, and 4.1 percent in domestic trade. Due to crop failures, agriculture suffered a decrease of net products by some 8 percent.

With the handing over of 196,402 new apartments the housing conditions improved for another 589,000 citizens by the end of November. Retail trade turnover was up 4.1 percent, that of industrial goods by 5.5 percent. The population's net income increased by 4 percent. Foreign trade continues to show an export surplus.

In the sphere of the industry ministries, net production increased by 6.5 percent and labor productivity by the same percentage. Costs were reduced by 1.0 percent. In the majority of the state plan positions the tasks were fulfilled in November. This refers particularly to positions such as optical fiber transmitter cables, pneumatic-products, large-scale forming tools, polystyrene, color television sets, sewing machines for domestic use, and hot water boilers. To implement the decisions of the Seventh SED Congress, all combines are called upon to struggle until the last day of this year to achieve a great output in order to fulfill the 1988 plan and to comply with the commitments.

By the end of November, the following results were achieved as far as introducing key technologies is concerned: A total of 52,239 office and personal computers was produced. This is 8,155 units more than in the same period last year. Regarding memories for computers, the increase amounts to 77,824 and, in the case of printers, the increase was 25,544 units. Production of microlithographic units was up 28 percent; that of semiconductor and electronic components, 37 percent; and that of monolithically integrated circuits 55 percent from last year. Production of robots increased by 2,639 units.

In November, 12 facilities from investment projects of major economic importance were put into operation. These include facilities for the production of:

—viscose fine silk, in the VEB "Clara Zetkin" viscose silk works in Elsterberg;

—textiles, in the VEB Oberlausitzer textile works in Neugersdorf;

—plastic zippers in the VEB Solidor in Heiligenstadt;

—hygienic fleeces in the VEB fleece textile works in Loessnitztal; as well as a steam producer in the Plauen heating station of the VEB energy combine in Karl-Marx-Stadt, and another ferry for railroad ferry transport between the GDR and the USSR of the VEB Deutfracht/Sea Shipping Company in Rostock.

Labor productivity in the construction sector rose by 5 percent. Costs were reduced by 0.6 percent. Output in industrial construction was increased by 3.0 percent.

Until the end of November, 5,334 places in day care centers, 15,300 in kindergartens, 1,464 classrooms, and 103 sports halls in schools were created.

In the field of agriculture the harvest of sugar beets was concluded in November. Due to crop failures caused by bad weather, it remained 2.6 million tons below the plan. In animal production, the November plan for the state procurement of slaughter animals was overfulfilled by 60,000 tons, that of milk by 107,000 tons, and that of eggs by 196 million units.

The railroads transported 6.5 million tons of goods more by the end of November than in the same period last year. In posts and telecommunications a 3.3 percent performance increase was achieved.

In the individual sectors of industry, the following net production and labor productivity increases, as well as the following reductions in prime costs per M100 of goods production were achieved:

	Net production	Labor productivity	Reduction in prime costs
			—in percent—
Coal and energy	6.1	5.7	0.6
Ore mining, metallurgy, and potash	2.1	2.7	0.3
Chemical industry	7.5	8.1	1.0
Electrical engineering/electronics	14.0	14.3	3.5
Heavy machinery and installation construction	5.5	6.3	0.7
Machine tools and processing machinery	7.8	8.6	1.4
General machinery, agricultural machinery, and vehicle construction	4.9	5.2	0.7
Light industry	7.8	4.8	0.5
Glass and ceramics industry	6.5	7.0	1.3
Bezirk-administered and foodstuffs industry	5.3	5.8	0.5

Within bezirk-administered industry, the following growth in net production and in the manufacture of finished products for the population, and the following reductions in prime costs per M100 of goods production were achieved:

	Net production	Manufactured goods for the population	Reduction in prime costs
			—in percent—
Capital City of Berlin	9.7	1.4	1.6
Cottbus	4.6	4.4	0.9
Dresden	4.8	5.4	0.9
Erfurt	7.1	6.8	1.2
Frankfurt	5.0	21.3	0.2
Gera	8.4	6.7	0.9
Halle	4.1	9.3	0.6
Karl-Marx-Stadt	3.8	5.0	0.1
Leipzig	6.3	6.2	1.1
Magdeburg	8.5	6.9	1.1
Neubrandenburg	3.1	2.6	0.5
			increase [as published below the figure 0.5 and above 0.2, not indicating to which amount it applies]
Potsdam	4.4	4.0	0.2
Rostock	7.7	6.6	1.2
Schwerin	9.8	8.4	1.6
Suhl	4.8	4.5	0.9

High-Ranking ROK Official Makes Visit

LD2612113488 Budapest Domestic Service in Hungarian 1100 GMT 26 Dec 88

[Text] The South Korean vice minister of foreign affairs is to visit Hungary. Sin Tong-won left Seoul for Budapest for a 3-day official visit at the invitation of Gyula Horn, state secretary for foreign affairs.

According to sources in South Korea, the politician will also be received by party General Secretary Karoly Grosz and Premier Miklos Nemeth.

The visit is a good indication of the rapid development of relations between the two countries. Sin Tong-won is the highest-ranking South Korean politican who will have visited Hungary. According to the South Korean news agency, he will discuss the establishment of diplomatic relations. According to certain Western radios, embassies might open in the two capitals as early as January.

Berecz Addresses Hungarian-Soviet Amity Society

LD1612214188 Budapest MTI in English 2025 GMT 16 Dec 88

[Text] Budapest, December 16 (MTI)—As reported, the National Board of the Hungarian-Soviet Friendship Society held a session on Friday.

In his contribution to the conference, Janos Berecz, member of the Political Committee of the Hungarian Socialist Workers' Party and secretary of the Central Committee, pointed out that Hungary's domestic policy was ridden with crisis symptoms and the country was in a state of revolutionary transformation. Concerning the party, he said that its organizational structure failed to meet demand. He said the political struggle would be decided not in the factories, but in the electoral districts. Mr Berecz pointed out the lack of inner solidarity and substantive debate in the party, which he said was hindering competitivity.

In connection with the renewal programme of the Hungarian-Soviet Friendship Society, Janos Berecz stated that the society was facing difficulties due to the termination of privileges it had enjoyed before. He said the emergence of the "house of Europe" concept and the accentuation of Europeanism aggravated the situation, causing problems in Hungarian-Soviet friendship. This was not to be permitted, he said, because the House of Europe cannot be built unilaterally, and Hungarian-Soviet friendship is instrumental in its construction.

Grosz Receives Outgoing CSSR Envoy

LD1912111988 Budapest MTI in English 1055 GMT 19 Dec 88

[Text] Budapest, December 19 (MTI)—On Monday, Ondrej Durej, Czechoslovakian ambassador extraordinary and plenipotentiary accredited to Hungary, paid a farewell visit on Karoly Grosz, general secretary of the Hungarian Socialist Workers Party.

Varkonyi Speaks on East-West Cooperation

LD1612213988 Budapest MTI in English 1940 GMT 16 Dec 88

[Text] Munich, December 16 (MTI)—Peter Varkonyi, Hungarian foreign minister, delivered a paper "Hungary's Contribution to East-West Cooperation" in Munich on Friday at the request of the Southeast-Europe Society.

Mr Varkonyi stressed that the international political background and the favourable changes in European relations were promoting Hungary's reform endeavours.

Mr Varkonyi said that the reduction of armed forces and conventional weaponry in Europe is a timely task of particular political importance from the aspect of security on the continent. Hungary is directly affected by the issue of conventional disarmament, he said. For this reason, it is particularly important that the 23 countries belonging to the Warsaw Treaty and NATO should start genuine talks on the reduction of conventional weaponry in the shortest possible time after the successful conclusion of the Vienna follow-up conference.

Peter Varkonyi said, "We welcome and support the New York announcement of Mikhail Gorbachev on the unilateral withdrawal of troops, which also affect Hungary and are in complete accordance with our endeavours and interests. What is now needed for NATO is to follow the example and make similar constructive steps to reduce offensive capability and further alleviate the atmosphere of distrust."

"We consider it a basic demand for the European governments," Mr Varkonyi continued, "to completely guarantee the rights of their national minorities, enforce their interests in the native language and livelihood, safeguard their cultural values, and observe the principle of the ban on discrimination.

"The satisfactory handling of minority problems and the guaranteeing of their individual and collective human rights are a specific, though common, task of the European governments, as well as an extremely important area of inter-state cooperation," he said.

The Hungarian foreign minister laid particular stress on relations with the Federal Republic of Germany. He noted with satisfaction that the dynamic development of contacts had brought in its wake good-neighbourly relations of model value for countries with differring social systems. He highly appreciated the repeatedly declared intention of the FRG Government to support, commensurate to its possibilities, the process of political and eocnomic renewal in Hungary.

Peter Varkonyi held talks with Dr Theodor Waigel, president of the Bavarian Christian Social Union (CSU), and Gerold Tandler, Bavarian minister of state for finance, CSU board member in charge of foreign affairs. The negotiations were attended by Istvan Horvath, ambassador of the Hungarian People's Republic to Bonn.

In the evening Walter Althammer, president of the Southeast European Society, hosted a dinner in honour of the Hungarian foreign minister.

Horn Queried on Economic Scope, Diplomacy

AU1612101588 Budapest MAGYAR HIRLAP in Hungarian 10 Dec 88 pp 1, 5

[Interview with Foreign Affairs State Secretary Gyula Horn by Istvan Matko: "We Should Not Let it Waste!—Economic Scope and Diplomacy"—at the Foreign Ministry in Budapest; date not given]

[Text] In a recent television interview, Gyula Horn said that our foreign policy has recently created a much greater scope than the one actually used by our economy. It is worth clarifying the background of this statement even if this would only help in providing a more exact interpretation of recent history. However, there is more at issue here, because, in our current economic situation, we cannot disregard any possibility....I spoke with Gyula Horn about these matters at the Foreign Ministry.

[Matko] I am right: This striking statement is a sign of a new analysis of the situation....

[Horn] Yes. I would like to point out right away that I based my statement on the conclusion of our party's general secretary, with which I fully agree. It is a fact that foreign policy has become the successful sector of Hungarian society, primarily because our foreign policy is consistent, continuous, and predictable in the best sense of the world. National endowments, conditions, and interests are thoroughly represented in this foreign policy, while this same foreign policy is adjusting to the common position formulated by the Warsaw Pact. Of course, the outside world, and primarily the West, is manifesting increasing interest not only toward this foreign policy, but also toward the Hungarian reform concepts. It is both an important task and a great chance for Hungarian foreign policy to represent these concepts! One can argue about the way all this has been expressed, for example in the mass media, but I am convinced that our media and the press have been, and are playing a useful role in shaping Hungary's image. The outside world is honoring this current Hungarian attitude. The important events of the past 2 years have been strengthening the favorable effects. The introduction of world passports opened the borders for our citizens, and it is also an important thing that Hungary does not have any family reunification problems and has constructive relations with the Hungarian emigrees.

Restructuring and glasnost have provided a considerable background for our cultured and civilized international attitude, and have simultaneously increased the favorable changes and acceleration in our relations with the Soviet Union. It is absolutely necessary to mention here that our relations with the other big power, the United States, have also become broader and more sincere, and they led to a successful summit meeting.

[Matko] It is not by accident that our cooperation agreement with the EEC has been finally concluded at the end of 1988.

[Horn] A process has born fruit. I mean by this that we were the first among the socialist countries to establish contacts with the West European integration organizations: the Council of Europe, the European Parliament, and the NATO General Assembly. This year, we have established official contacts with the ROK and we are also normalizing our relations with Israel. Sooner or later, we will have diplomatic relations with these countries. It also belongs in this review that we are trying to reorganize our relations with the Third World. We want to intensify our relations primarily with the countries that are advancing on the road of accelerated economic development, namely the "four tigers", the Far East countries, the ASEAN countries. These efforts and results have, obviously, broadened Hungary's economic scope.

[Matko] Let us examine the issue closer. You have generally outlined our firm foreign policy that has not only been welcomed by the outside world, but has also opened up new economic opportunities for Hungary. How can politics open up the doors leading into economic negotiation rooms, and why do you claim that we do not always step into those rooms?

[Horn] For many years, we have been hammering it into the heads of the leaders and members of our foreign representations that our diplomacy should contribute to solving our domestic problems. I can say that most of our foreign representations fulfill this demand! Unfortunately, very few domestic genuine answers have been formulated to the initiatives of our foreign representations. Let me give you a few examples. The Hungarian-Finnish free trade agreement, which emerged in 1982 primarily as a result of our bilateral political intentions, has mainly remained a mere opportunity to this very day. The Hungarian enterprises have operated at the same level as the Finnish ones on the Finnish market, albeit in vain, since the Hungarian enterprises have been unable to considerably increase their turnover. Our foreign representations, our embassies, often conduct talks on the introduction of foreign working capital in Hungary, which are futile because our domestic bureaucratic obstacles, the still extremely complicated licensing procedures, and the lack of a proper infrastructure are scaring the foreign investors away. There are also mixed enterprises, like the Finnish firm Halonen, which, due to our bureaucracy, were forced to abandon Hungary. The Swedish firm Adameli decided to invest in Hungary, and conducted 4 years of negotiations with Hungary on establishing an oxygen and noble gas factory here. Finally, the Swedish firm had to give up its plans and build this factory in Austria instead. Our ambassador in Rome held several talks with the Italian firm FATA on manufacturing household appliances in Hungary in the framework of a mixed enterprise.

The FATA is operating and prospering in the Soviet Union today. Our ambassador in Rome has not received an answer to his initiatives to this very day. I also have a Spanish example: Hungarian Television and the Real Musical SA of Spain wanted to cooperate in producing

musical education materials and videocassettes. Karoly Grosz also intervened in this matter, but Hungarian Television did not receive the license to establish a mixed enterprise. Should I continue? A cooperation project with the Spanish canned food industry failed because the Hungarian side expected too high profits, and so on....

Expensive Exclusiveness

[Matko] Allow me to interrupt you here: In my view, our obsolete market organization, the system of our foreign representation, and our foreign practice do not help us in making use of the opportunities provided by a greater scope. Trade Minister Tamas Beck also spoke about this. What is your opinion about this?

[Horn] Let us take the institution of exclusive import rights prevailing in the West. In the past, Hungarian foreign trade enterprises that had a monopoly in foreign trade gave such exclusive rights to some foreign businessmen or firms. This means that one can purchase or sell such goods in that country exclusively through this firm. In the majority of such cases, this foreign person or firm is also a representative of the Hungarian firm's competitor, and thus, this foreign firm does not implement the Hungarian interests. The profits go to the foreign firm rather than to Hungary and its firms.... Many concrete business proposals have been, and are constantly arriving at our embassies abroad but, due to this exclusiveness right, these opportunities cannot be used, or cannot always be used because it is the foreign firm with exclusive rights that decides on these matters! There is such an exclusive right in force on the Western wine market, and on the meat markets in the FRG, Austria, and Switzerland. However, rationally speaking, it is not the task of foreign policy to settle these issues....

Only the Two Together

[Matko] That reminds me: Has rivalry between foreign affairs and foreign trade not hindered the better use of this scope? Sometimes, one has the impression that these two institutions do not go hand in hand.

[Horn] There has been a certain rivalry between the two. I also heard opinions in the former foreign trade ministry according to which embassies should deal with classic diplomacy, and trade experts should deal with commerce. This is an entirely wrong concept! These two things should be carried out together, by closely cooperating with each other. Whatever the source of a proposal, it is addressed to Hungary in the final analysis. However, most problems were caused not so much by this rivalry as by the lack of direct and concrete interest. In this respect, we should continue to search for a suitable method, and I believe that we will find it, in order to turn opportunities in real business ventures.

There are, of course, conditions for this, like the need to further broaden our businessmen's trips abroad, and this applies both to our visa practice and to other forms of contact. I consider the new Law on Business Associations to be a very important law because it regulates the flow of foreign working capital. We have already signed an agreement on abolishing the practice of double taxation with quite a few of our major partners. We are striving to do the same with other partners, too, as well as to sign agreements on investment protection.

[Matko] Have we translated the Law on Business Associations into English, German, or other languages?

[Horn] Yes, we have, and we have also undertaken to publish these translations. The Hungarian Economic Chamber has intensively contributed in this, and practically all our major trade partners have already received the English text of this law. We have instructed our foreign representations to provide steady information to our business partners and send copies of the law to every interested person. I regard it as extremely important to regularly present our efforts on the basis of this law, because we should not forget that we, too, need information, not only our partners. We must learn their demands in order to be able to act.

[Matko] In conclusion, I will ask you about an important event to take place soon. We are expecting an EEC delegation for talks in Budapest. What are we striving to achieve since signing an agreement with the EEC? Will we have an ambassador in Brussels, and to the EEC?

What Happens After 1992?

[Horn] Our government has approved the appointment of our EEC delegate, who is also Hungary's ambassador in Belgium. Thus, he will have a double function. As for the negotiations, it is no secret that we want to proceed in the spirit of this agreement, and our final goal is to organize our genuine cooperation as efficiently as possible. The aforementioned agreement will provide opportunities for developing our cooperation and to gradually bring the internal mechanism of Hungary and of the EEC member countries closer to each other. This already has a lot of elements and tasks, and we have already begun to work them out. We are all concerned about the future: What will happen after 1992? Will the EEC member states give up their sovereignty in dealing with the outsiders, in carrying out bilateral agreements and contacts? If they did so, we would be able to turn to Bonn, for example, only through Brussels, depending on the decisions of the 12 member states. This would hinder our cooperation with the FRG or any other EEC member state to a considerable extent. Consultations are under way on this matter, and this shows that it is also the task of diplomacy and of foreign policy to see to it that we preserve and further develop our prestigious scope.

Horn Holds Talks in London
AU1612095788 Budapest MTI in English 1800 GMT 14 Dec 88

[Text] Budapest, MTI, 14/12/1988—Gyula Horn, under-secretary of state at the Hungarian Ministry of Foreign Affairs, left London on Wednesday. During the three-day visit he paid at the invitation of the British Government, Mr Horn met Sir Geoffrey Howe, secretary of state for Foreign and Commonwealth Affairs, and held extensive talks with William Waldegrave, minister of state for Foreign and Commonwealth Affairs, on the further development of bilateral relations and current international issues.

In the House of Commons, Mr Horn conferred with members of the Foreign Affairs Committee, and met George Robertson, foreign spokesman of the Labour Party opposition. He paid a visit to British Aerospace headquarters and the World Service of the BBC.

During the discussion on bilateral relations and international questions, the British party showed great interest in Hungarian public life, the debates on the renewal of the system of political institutions and the socioeconomic processes under way. They paid particular attention to the HSWP's view of a multiparty system and its judgement of the role and prospects of alternative groups in the process of renewal.

They pointed out that the prime-ministerial visit of Karoly Grosz to London last spring had remarkably increased the interest of British business circles in cooperating with Hungarian partners, including the formation of joint ventures.

The exchange of views on international issues confirmed that both parties attach outstanding importance to the continued improvement of human rights guarantees in East-West dialogue. The question of how Hungary can cope with the problem of refugees from Romania also aroused keen interest. In this context, the British party stated that they regard certain elements of Romania's minority policy as totally unacceptable and unjustifiable. The British side felt the Hungarian experiences were of model value also from the point of view of the possibilities and prospects of renewal processes in Eastern Europe. For this reason, they ascribed special significance to the further expansion of political consultations between the Hungarian and British Governments, not only in the context of bilateral ties, but also in respect of international issues of general concern.

The talks covered the speech Mikhail Gorbachev made at the United Nations Organization last week, especially the unilateral reduction of conventional Soviet Armed Forces. Mr Horn reminded his British partners that a variety of "irregular processes", differring from the previous ones in principle and quality, had started in several areas of East-West relations as a result of the initiatives of the socialist countries. These processes are no longer confined solely to military and security issues, but there is progress also in respect of closer parliamentary ties and the establishment of substantive relations with West European multinational organizations. Mr Horn pointed out that the proposals of the socialist countries do not always meet with a response, although it would immensely accelerate the favourable process if the West showed a similar initiating spirit in exploring new opportunities for East-West cooperation. He stressed that the strengthening of "irregular processes" in East-West relations would further the success of perestroyka and the Hungarian reform process. The under-secretary of state said that several leading personalities of the Western states had emphasized more than once their interest in the success of East European renewal. The West European countries would also have ample opportunity to express through actions their interest along these lines. This could be experienced so far chiefly on the part of the FRG Government.

Answering questions from the British side, Mr Horn emphasized that after the far-reaching UN address by Mr Gorbachev, the Western governments may well be expected at least to make gestures to demonstrate their readiness to step up the rapprochement between East and West in all possible areas, including the key field of economic cooperation.

Government Grants Pre-Christmas Aid
LD1912152988 Budapest MTI in English 1240 GMT 19 Dec 88

[Text] Budapest, December 19, 1988 (MTI-ECONEWS)—The government is granting a single assistance totalling 340 million forints ($5.6 million) to 340,000 people before Christmas.

On an initiative from the Central Council of Trade Unions, those people whose monthly income fell short of 3,000 forints ($55.6) in December (pensioners, mothers on child-care allowance, etc.) are getting a single aid of 1,000 forints, a kind of Christmas present. Only people drawing regular allowances are eligible for the aid, wage-earners, or self-employed people are exempt.

In all 200 million forints are available from the social security fund, the rest is met from the state budget.

Survey Yields Results on Government Performance
AU1612135188 Budapest MAGYAR HIRLAP in Hungarian 14 Dec 88 p 5

[Unattributed report on results of a survey prepared by the Hungarian Public Opinion Research Institute: "Public Opinion on Government Changes"]

[Text] The Hungarian Public Opinion Research Institute carried out a public opinion poll between 29 November and 1 December 1988, based on personal inquiries addressed to 300 Budapest citizens and 300 provincial citizens on topical economic and political issues. The

sample of people participating in the survey in Budapest and in the other three towns (Ozd, Hodmezovasar, and Sarvar) reflects the composition of the adult population of these towns.

At the latest session of parliament, on the basis of the proposal made by the MSZMP Central Committee and the PPF, the National Assembly deputies elected Miklos Nemeth to replace Karoly Grosz who stepped down from his post as premier. In connection with this event, we analyzed, among other things, the way in which Hungarian public opinion evaluates the 1 and ½ years of the Grosz government.

According to 43 percent of the people in Budapest, and 40 percent of the people in the provinces, the Grosz government as a whole has brought a favorable change in Hungary's life. Some 18 percent of the people surveyed in Budapest and in the other towns thought that the change was unfavorable, and one-third of the people could not decide.

As a general trend, a greater percentage of people with higher education, people with higher incomes, and party members thought that the changes were favorable.

Some 55 percent of the people surveyed in Budapest, and only 33 percent of the people surveyed in the other towns thought that there were problems which the Grosz government had not dealt with at all, or not seriously enough.

We also asked the people in the survey to give grades to certain activities of the Grosz government, as is customary in schools.

The FRG's Sample Public Opinion Research Institute also prepared a similar survey in the summer of 1988, at the request of the FRG weekly BUNTE, and analyzed the degree of satisfaction with Helmut Kohl's government, on the basis of a representative survey of the FRG's population. (As the best grade in the FRG school system is 1 and the worst is 6, to compare the two surveys, we had to adjust the FRG results to the system of the Hungarian school grades.)

	Budapest	Province Towns	FRG
Foreign policy	4.0	4.2	3.5
Domestic policy	3.1	3.6	3.1
Social policy	2.2	3.1	2.5
Financial policy	2.5	2.8	2.6
Economic policy	2.8	3.3	2.8
Legal policy	2.9	3.5	3.0
Health care	2.2	3.0	3.3
Education	2.2	2.9	—
Youth policy	2.3	3.1	—
Housing policy	1.9	2.8	—

University graduates, people with a higher social status, and nonparty members are more critical of the government activity, while old people and people with less education are more understanding than the average concerning the activity of the government.

The people of Budapest are much more critical of government activity than people in other towns. Obviously, this derives from the fact that an open expression of one's opinion is less risky in a big city than in a small town in the provinces.

If we want to compare the opinion structure of these two countries' populations, we should also take the same factors into consideration: the two countries' different social and demographic structures, and the different levels of political openness and acceptance of critical opinions. We should also take into consideration the two countries' different mass media and, subsequently, their different tone in dealing with their respective governments.

The people in the survey "honored" our government's foreign policy with quite high grades. On the basis of our previous surveys, we can draw the conclusion that, this time, the population valued the Grosz government's more open foreign policy toward the West, as well as its more active stand on the issue of Hungarians living beyond our borders.

We also asked the people's opinions about the recent change of premiers. Some 43 percent of the people in Budapest and 37 percent of the people in the other towns in the survey spontaneously said that the National Assembly had elected a new premier.

Some 35 percent of the people in Budapest and 40 percent of the people in the other towns thought that the Karoly Grosz-Miklos Nemeth change was favorable for Hungary. Only 3-5 percent of the people in the survey thought that this change was unfavorable. The others could not give a clear answer, or declined to answer.

One-third of the people in Budapest and 43 percent of the people in the other towns think that the Miklos Nemeth government will be able to lead the country out of the present difficult economic situation. However, 27 percent of the people in Budapest and 17 percent of the people in other towns think that the new government will not be able to do this.

In addition to the premier, a change took place in only one more government position: Rezso Nyers became minister of state. Some 48 percent of the people in Budapest and 53 percent of the people in the other towns regarded this change as favorable for the country; only 2 percent regarded it as an unfavorable change. The rest could not decide, or declined to take a stand.

Some 39 percent of the people in Budapest and 26 percent of the people in the other towns said that they would have preferred another politician as premier instead of Miklos Nemeth. Some 21 percent of all the

answers in Budapest and 14 percent of all the answers in the other towns mentioned their preference for Imre Pozsgay. Rezso Nyers was mentioned in this context by 8 percent and 4 percent respectively. All the other politicians regarded as potential premiers received votes from less than 3 percent of the population everywhere. Imre Pozsgay was mentioned as a preferred alternative by a greater average of nonparty members than party members.

Officials Comment on 1989 State Budget

Bekeski's Views

LD1912182288 Budapest MTI in English 1331 GMT 19 Dec 88

[Text] Budapest, December 19, 1988 (MTI-ECONEWS)—In a compromise arrived at after 11 parliamentary committees have studied the government's three versions, the 1989 central budget to be submitted to the winter session of parliament to open tomorrow, will substantially cut central support but will still have a 20 billion forint deficit, the same as in 1988, said deputy minister for finance, Mr Laszlo Bekesi, at a press conference Monday.

Mr Bekesi said the government was under four pressures, one was by companies to cut taxes and raise subsidies, the second was to raise support to health, education, science and culture, the third to drastically cut budget expenditure, especially through cuts in defence and administration spending, the fourth to create a balance to enable the budget to finance its deficit from domestic resources.

Mr Bekesi said these conflicting demands were impossible to meet under a stagnating national growth. Therefore, a compromise fourth version has been elaborated out of the three original government versions for discussion and approval by parliament.

He said the original first version was for an increase of budget revenue by raising the degree at which the incomes of companies were drawn away and to make sure the budget also pocketed some of inflation triggered revenue of companies. This would increase the overall budget drain from companies from the present 62 per cent to between 68 and 69 per cent of profits.

The second and third versions, which make up the fourth version and the most likely one to be endorsed by parliament, foresees a substantial decrease in subsidies and a cut in the overall burdens of companies from the present 62 per cent to 60 per cent. This also means that consumer price subsidies would be decreased by 33 billion forints, in addition, in defence and armed forces spending would be cut by 6 billion forints and administrative expenditure by 2 billion forints, as compared to the original budget draft.

Answering a question, Mr Bekesi said that Hungary's gross foreign debt would fall short of 18 billion dollars in 1989. The government intended to remove the current account deficit by 1991 and it reckoned with considerable shrinking of gross foreign debt by 1995, he said.

As for the expected rate of inflation in 1989, Mr Bekesi said that it was predicted between 12 and 15 per cent. If the present social contract of a 10 per cent freeze on (?nominal) wage increase for 1989 is kept, then inflation can be restrained to stand at most 15 per cent in 1989, he asserted.

Foldesi Stresses Needs

LD1512181688 Budapest MTI in English 1245 GMT 15 Dec 88

[Text] Budapest, December 15, 1988 (MTI-ECONEWS)—The Defence Committee of parliament agrees with the first version of the budget in which the Ministry of the Interior would receive 23.840 billion forints and it would even accept a budget of 22.940 billion forints for the ministry in line with the government's recommendation.

Interior Ministry State Secretary, Mr Jeno Foldesi, said at the committee meeting, that his ministry had first applied for 26.1 billion forints. The first version of the central budget modified that sum to 23.840 billion forints and then the Council of Ministers cut a further sum of 900 million off. In the second version, the government intends to grant 22.940 billion forints for the Ministry of the Interior.

In 1987 the total defence and other armed forces spending was 45.4 billion, this incorporated the budget of the Ministry of the Interior. This was 6.8 per cent of the total budget of 666 billion forints.

This year defence and the other armed forces are expected to spend 57.5 billion forints, which is 8.3 per cent of the total 1988 budget of 693.8 billion forints.

The planned 1989 budget allocates 62.9 billion forints to defence and the other armed forces out of the budget of 539.3 billion forints.

The difference in the totals of 1988 and 1989 is due to the fact that social security will be separated from the central budget from next year.

State Secretary Mr Fodesi explained the need to raise spending by the deterioration of public safety. In addition to rising crime, the urban young and intellectuals now have a handful of loud and aggressive restoration-oriented, counter-revolutionary groups.

The more open society of today is inevitably accompanied by a negation of everything, by an unchecked radicalization and unlimited demands by some individuals whose tactics are to compromise the party, the parliament and to generate hostility towards the police and the army, he pointed out.

Grosz Speaks to Technical Association Presidium

LD1612221288 Budapest MTI in English 1646 GMT 16 Dec 88

[Text] Budapest, December 16 (MTI)—Karoly Grosz addressed the Miskolc session of the Presidium of the Federation of Hungarian Technical and Scientific Associations (MTESZ) on Friday. The HSWP general secretary appreciated the role of professionals in socialist construction and spoke about the tasks of the technical professionals. "The political and economic leadership of the country really seeks to create the possibility and the institutional framework for unfolding expertise and knowledge. We start from the realization that this is a fundamental interest of society as a whole. Stabilization and economic development are only conceivable through the higher performance and better recognition of the highly educated members of the nation", Mr Grosz said.

"The fact that we are speaking perhaps more about the technical professionals does not mean that we want to divide the intelligentsia. We have not the slightest intention of doing so. We want to prevent at all costs confrontation between the various professional strata. It would be very damaging if the relationship between professionals, workers and peasantry were burdened with conflicts and tensions. For the time being, Hungarian society cannot afford the luxury of discord, accusations and dividedness.

"Considering the major task of the technical professionals today, we have to say they should raise demand for quality in the country's economic life.

"Quality and good work should become a moral obligation for society as a whole, and the technical professionals can do more than anyone to attain this aim."

Mr Grosz added that the party and the government should help to improve the public mood to influence the professionals.

"The increasing role of local communities, and the strengthening possibility of alternatives in action make it possible for the professionals to play a more intensive role in public life. We made this trend even more marked in the May party conference. Sometimes however, correct principles and intentions are balked by the narrow-mindedness of the local leadership and, in some cases, by lack of comprehension and conservatism in both the political and their special fields.

It should be added that the professionals often witness actions aimed at shifting responsibility on to others, and denigrating clarifying debates to sham consultations. This is opposed to our political intention of encouraging initiatives and action. We should not forget that there are great failures among professionals. It is all the more important because the various ideological and political trends and scales of values are simultaneously present in our society. If the professionals are governed by good will and the intention to act, they have no road or aim other than those of the Hungarian Socialist Workers's Party. The political leadership has requested the opinion of the various groups of professionals. In future this dialogue is to become day-to-day practice," Mr Grosz said at the Miskolc Session of the MTESZ Presidium.

Radio Program on Gypsies' Life To Be Launched

AU1612112388 Budapest MAGYAR NEMZET in Hungarian 14 Dec 88 p 4

[Text] The Petofi station of Hungarian Radio is to launch a new program at 2130 local time on 16 December, entitled: "Half-an-Hour on Gypsies." According to the plans, this will be a nonfolklore type program, stressing mutual tolerance, self-awareness, and understanding of each other by describing the areas of coexistence and considering the interdependence between the various strata of the society.

The editors of this program, which is to be aired biweekly, chose the format of a radio magazine. It will include practical information (on health affairs, legal affairs, employment, education, protection of interests, and so on), as well as portraits of artists and reports on successful citizens. This program, which will be mainly informative in nature, will also provide entertainment.

The selection of the staff also reflects the partnership relations promoted by the basic idea behind this program. In addition to the professional radio staff, young Gypsies will also participate in these programs: students, teachers, and propagandists, and everyone who feels responsible for his nation and his community, and can also represent these with devotion. It is the firm intention of the editors, Marta Soskuti and Csilla Ordog, to present "new faces" and unknown personalities to the listeners.

Sejm Meets; Debates, Adopts Economic Measures

Agenda for Meeting Outlined

LD2112195788 Warsaw PAP in English
1407 GMT 21 Dec 88

[Text] Warsaw, Dec. 21—In the normal procedure, the Sejm meeting to review broad economic subjects, including budgetary ones, beginning on Thursday Dec. 22, should have taken place much earlier. However the development of events, a critical assessment of the economic policy, the memorable debate at parliament and the change of governments entailed a need to revise the principal acts and projects associated with the economy.

The date of November 15 for the government to table the draft budget for 1989 to the Sejm could not therefore be met. And it was moved—with the consent of parliament. The government also decided to carry out radical changes in earlier drafted laws in order to really free the economy from a bureaucratic corset.

The agenda of the two-day Sejm debates covers an exceptionally long list of matters.

The government will above all table to the Sejm a draft plan for consolidating the economy for 1989-1990. The new way of thinking about the economy is reflected in it. The plan is a document of a programmatic character, formulates the goals, priorities and strategy of action, aims to restructure the economy and open it up to the world.

The bill on changes in the National Socio-Economic Plan for 1986-1990 is a consequence of the consolidation plan.

Another point of the agenda is a draft budgetary law for next year along with drafts of 7 financial acts. This will be the first reading of the bill.

Two other bills, the first pertaining to the fund for foreign debt servicing and the second to the fund for developing exports, will also be read for the first time.

The next two acts (also first reading) are a draft banking law and draft law on the NBP National Bank of Poland. They create the foundations for a reformed banking system.

At the current meeting of parliament, the Sejm commission will deliver reports on the draft law on starting economic activity. The final bill—adopted by Sejm committees and to be tabled to parliament—read in its first article: "Starting and pursuing economic activity is free and admissible for everyone on equal rights, providing the conditions stipulated by legal regulations are maintained. If the Sejm passes the draft, it will take effect as of January 1.

The draft law on economic activities with foreign subjects will also be presented in a substantially new form. This is also associated with the draft amendments to the commercial code.

In the Sejm draft law on handicraft (first reading to be presented) a concept was accepted of freedom to associate in handicraft organizations and their full independence.

In the concepts of the government, dissolving the Government Planning Commission and setting up the central planning office is to be an important systemic change. The draft law on creating the central planning office is another point on the Sejm meeting's agenda.

The last point is a committee report on draft amendments to the law on research-developmental units.

Economic Activity Debated

LD2312142588 Warsaw PAP in English
1352 GMT 23 Dec 88

[Text] Warsaw, Dec 23—The Sejm has resumed debates today. The agenda covers committee reports on draft laws on starting economic activity and on economic activity with foreign subjects as well as on a change of the Commercial Code.

The other points of the agenda include the first reading of a draft law on handicraft and a committee report on draft laws on setting up the central planning office and amending the law on research-developmental units. The last point envisages elections to complement the Council of State.

Deputy Jan Mieloch presented the bill on undertaking economic activity, emphasizing that the aim of the act is the releasing of individual and group activity and enterpreneurship.

The draft is based on three main principles: economic freedom equality of all forms of ownership and on the general assumption that everything is allowed, provided it is not prohibited by the law. Thus, the bill introduces complete freedom of undertaking economic activity excluding the fields which require a licence. Permits which were required so far are to be replaced by simple notifications of undertaking economic activity.

Deputy Mieloch underlined that both the sub-committee working on the draft, and Sejm committees received vast number of motions from various social, economic and professional organizations, which, together with the report of Sejm experts, served for a thorough analysis of the draft and contributed to the introduction of numerous amendments, proposed also by the new government.

Among the most important of the self-amendments tabled by the government are the reduction of the field of activities covered by licencing, giving up subjective exceptions from the operation of this law and limiting the number of specific questions to be decided by state administration bodies.

Further changes were introduced during the work in Sejm committees. The word 'understanding' was dropped from the title of the bill, because the act concerns also current economic activity. Also, a principle has been introduced that an economic subject may employ an unlimited number of workers.

Presenting the deputies' bill on handicraft, Deputy Waclaw Garbaj emphasized that the chief aim of the document is the strengthening of the role of handicraft in social and economic life of the country and the protection of the traditional values of handicraft.

Deputy Jan Pryszcz delivered a report on the government draft law on economic activity of foreign subjects and the draft amendment of the commercial code.

The deputy stressed that thus far the economic activities involving foreign capital were regulated by two laws. One, of 1982, pertains to so-called Polonian companies and the other of 1986 to joint ventures. He stressed that practice did not confirm the purposefulness of different treatment of foreign capital depending on where it comes from. The new law would therefore constitute a legal basis for all foreign subjects to start businesses in Poland, he said.

The drafting team tried to create legal conditions for free flow of foreign capital to economic fields which are particularly interesting to us and which require greater support, Pryszcz said.

The deputy presented in detail the solutions envisaged in the law on economic activities of foreign subjects. He stated that the amendments to the commercial law will permit foreigners to set up single-person limited liability companies in Poland.

It is proposed that both laws take effect January 1, 1989.

In the name of the Economic Committee of the Council of Ministers, Industry Minister Mieczyslaw Wilczek presented the committee's comments on and the stance towards the law on handicraft. He stated that the leitmotif of the law on starting economic activity was creating advantageous conditions for all subjects. The law on economic activity with foreign subjects also enables natural persons to form partnerships with foreign capital.

The Sejm next voted on the draft law on starting economic activity, the law on economic activity with foreign subjects and the law on changing the commercial code. The Sejm passed all three laws.

Further Debates

LD2312203688 Warsaw PAP in English
1722 GMT 23 Dec 88

[Text] [PAP part one not received] During the debate, Deputy Jan Kaczmarek gave on behalf of the PUWP floor group a full support to the draft laws presented to the Sejm. He said:

The rebuttal of a doctrinal dogma according to which employment must be limited up to 50 workers in private business is symptomatic. Another crucial feature of this legal act is that it protects the economic subjects against oversize fiscal stringency.

The law on economic activity is, according to Kaczmarek, the most illustrious legal attainment in the economic sphere since the time of the law on the enterprise and worker self-management.

Speaking of the law on companies with a foreign capital share Deputy Kaczmarek stressed that this type of enterprises is views as a permament element of the Polish economy's structure. The deputy asked the government to consider a suggestion to sign an agreement with governments of the interested countries on mutual promotion and protection of investments made by bilateral companies.

The draft laws under debate, Deputy Edward Deren, UPP [ZSL], stressed, break the stereotypes and habits fixed in the public mentality and economic practice. The peasant party has long stood on the position of a quick and consistent implementation of this type of measures.

The Polish rural community expects that these laws will provide conditions for a development of the production of farming machines and tools and will add to a quantitative and qualitative development of production and welfare services for the farming and rural population.

After decades of running the economy by ideological inspirations we can hope that we have come to the threshold of an economic rebirth, said Deputy Lucjan Stepien of the Democratic Party. The gordian knot of the economy, tied in the era of Stalinist governing methods, has made radical cuts necessary. The law on economic activity seems to be one of them. Its solutions seem to be revolutionary. However, in the context of the world economic experience, they are just an attempt to get back to normalcy.

Deputy Kazimierz Orzechowski (non-party member) said: "Deputies from the Christian-Social Association will firmly support these and other sumbitted acts while perceiving them as a sign of new policy and new philosophy in the country's management."

Deputy Zdzislaw Skakuj (non-party member): "The creation of the state treasury ownership, along with today's analysis of the draft laws, would create conditions for employees to join the process of increasing common property while taking care of one's own interests.

"Pope John Paul II in his encyclical Laborem Exercens presents this system of participation as the one making it possible for a man involved in the production work to combine the realization of his vocation with the possession of capital."

Deputy Mieczyslaw Stachura (non-party member, pax): "The submitted draft laws, if treated as a beginning of a substantial change in the national economy, already at their origin present quite a revolutionary character. We shall act in such directions to reach full economic freedom."

Minister of Industry Mieczyslaw Wilczek presented the stance and the comments of the government economic committee concerning the Sejm draft law on handicraft. The minister said that the law on economic activity contains many decisions particularly favourable for the development of handicraft, while the law on economic activity with foreign subjects makes it possible for natural persons and thus also craftsmen to set up companies with foreign capital.

In this context the draft of the law on handicraft which apart from the decisions concerning the handicraft self-management comprises also elements of economic activity collides with the regulations of the above mentioned laws. This undermines the general concept that the law on economic activity is to regulate matters concerning any form of production and services, apart from companies with foreign capital share. Thus, the handicraft bill weakens the law's universal character and at the same time creats unfavourable precedent for other acts regulating in detail also other forms of economic activity.

The minister went on to say that the future law (on handicraft) should regulate only the matters of handicraft self-management while adjusting the rules of its functioning to other laws shaping the transformations in socio-economic life of the country. The government economic committee is not against the bill but it has assumed the attitude of guarding these decisions of the law on economic activity which form a kind of constitution of economic activity in Poland.

The Sejm passed the law on economic activity with two abstentions, the law on economic activity with participation of foreign subjects with two votes against and six abstentions, and the law on changing the commercial code with three abstentions. The draft law on handicraft was sent to the Sejm's committees and to the Sejm's socio-economic council for further elaboration.

Then, Deputy Zbigniew Zielinski (independent) presented the draft law on the Central Planning Office and motioned for adopting the law as drafted by the government.

The Sejm adopted the law on the Central Planning Office with two abstentions and one vote against.

In the next point of the agenda the Sejm discussed and adopted the amendments to the law on research-development units. The report of Sejm committees on the subject was presented by Deputy Zbigniew Puzewicz (PUWP). Three deputies voted against and six abstained.

Next, the Sejm completed the composition of the Council of State. The Sejm speaker informed the deputies about the letter sent in by the president of the Council of State who proposed the candidature of Deputy Zbigniew Messner for member of the council. The Sejm accepted the proposed candidature by voting, with 18 votes against and 49 abstentions.

The Sejm speaker, Roman Malinowski, traditionally delivered the closing speech of the last Sejm session of the year.

Council of Ministers Discusses Draft Laws

LD2312204688 Warsaw PAP in English
1903 GMT 23 Dec 88

[Text] Warsaw, Dec. 23—Following the Sejm session, the Council of Ministers held a meeting today.

The agenda of the meeting embraced another package of documents which, along with the laws already passed by the Sejm on undertaking economic activity and on economic activity with the participation of foreign subjects, and with the other draft laws already tabled at the Sejm, will have a fundamental significance for the restructuring of Polish economy.

The Council of Ministers also discussed draft foreign exchange regulations introducing a general principle of freedom in foreign currency dealing and a guarantee of foreign currency ownership, and a draft law on financial management of enterprises.

New Leaders Interviewed on Backgrounds

LD2212222288 Warsaw Domestic Service in Polish
0708 GMT 22 Dec 88

[Excerpt] [Announcer] Yesterday, late in the evening, after the first part of the 10th plenum of the party Central Committee ended, and after the news conference, newly elected members of the party leadership—the Politburo and Secretariat—were interviewed by our reporters Adam Kalinski, Marek Lewicki, and Henryk (?Soltysik).

[Reporter] Zdzislaw Swiatek, member of the Politburo of PZPR Central Committee.

[Swiatek] I live in Sosnowiec, I work at the Czerwone Zaglebie mine where I am the first secretary of the works committee. I am married, with two children; my wife is a teacher.

[Reporter] What is most important now for the party?

[Swiatek] It is most important to move to the offensive in action, to change structures in the party as well as the style of party's work, and to increase its effectiveness so that the action can bring results in our country's complex political and social situation in our country.

[Reporter] Pardon me, but these are not very original words.

[Swiatek] They are not original, but very often they are brought up at party meetings. In other words, party members are waiting for a more active stance of the party echelons. With all these changes which are happening so rapidly in our political life and economic life, they are a bit lost in their actions, it is necessary to sort these things out. That is why, among others, the 10th Central Committee plenum, which ended the first part of its deliberations today after a debate on the theses, will pass resolutions which, I am deeply convinced, will set the reserves— party members and all activists—in motion.

[Reporter] In the theses for the 10th plenum much space is devoted to the matter of political and trade union pluralism, and the idea of a civic society [spolecznstwo obywatelskie].

[Swiatek] These issues will be discussed by the whole society, trade union activists, and party activists. I hope it results in a model of the trade union movement which will correspond to the needs of the working people.

[Reporter] Much is also being said about the possibility of new parties being created.

[Swiatek] I believe PZPR is the party that has the moral right to lead in our country, to be the leading force, and everyone who wants a better life in Poland has the chance in our party—in cooperation with party activists and party members—to build a better future for themselves.

[Reporter] Leszek Miller has become a Central Committee secretary. We have already met in this building many times, when he was in charge of the youth department. Later there was the experience in Skierniewice. Will this experience of work in Skierniewice be of use in work for the whole party?

[Miller] They will be useful as experience, as I consider the stay in Skierniewice [words indistinct] this is my greatest capital with which I am starting the new function. These are experiences I cannot value too highly and which I shall use as a foundation.

[Reporter] Could you describe them? What most of all could one learn from leading the Skierniewice organization?

[Miller] One could learn to live with people and not with documents, to live not with papers but with people. To learn every day about their problems, to discuss with them, to exchange opinions, to polemicize, but also to learn something new all the time, to make day-to-day corrections to one's own view of the world, to one's own assessments, to deal with living issues.

[Reporter] I believe it is no coincidence that these changes which have brought new blood to the composition of the party's leadership were introduced at the 10th plenum which was based on the premise—one could see that if only from the subject-matter published—that it was to be a plenum devoted to the deep internal reorganization of the party's work and work from its foundations up so to speak, from the ideological foundations of the very concept of its activities...

[Miller, interrupting] I treat this plenum as a sort of leaven for a certain type of conversation in the party about those issues which are most important for the party and as a point at which new issues have been raised and for which today we do not yet have precise answers. For example, how is one to act within an economy which is being reformed, how will economic mechanisms influence political (?practice)? These are things for which it is difficult to forecast clearly; it is also difficult to find answers to them. This must be rooted in practice, every day we will be gaining the necessary experience.

[Reporter] Gabriela Rembisz, member of the PZPR Central Committee's Politburo.

[Rembisz] We cannot act as a party in the same way as we have done so far. This must be a dynamic party; it must set itself goals and see them through; it must begin to act in an attractive fashion. Quite simply, it must not hide inside its shell but go out openly toward people.

[Reporter] At the moment is the party not attractive to the young?

[Rembisz] It is not attractive to the young.

[Reporter] Why not?

[Rembisz] I think part of the reason is the economic situation, and here I do not wish to avoid responsibility. For, after all, we link everything with the party. That is why it must change its style of work. The party cannot be a sort of supervisor. It must be, well, sort of standing

slightly to the side; it must have influence but it cannot deal with anything on someone else's behalf. I believe the young will come to this party, especially the young workers. I say that I am a representative of the working class and I must say that all the milieus the party represents are important, but I stand for the working class and I believe that the party will in the future be attractive precisely to the working class, in these changing conditions—especially in state enterprises.

[Reporter] The working class, the working youth—well, alright. But what about the rest? What about the intelligentsia?

[Rembisz] [Words indistinct] I am, first and foremost, a supporter and for a long time I wasn't yet a member of the Politburo [as heard]. I believe that we must forge an alliance, and nothing less, with the intelligentsia. Yes; an alliance, nothing less. [Words indistinct] told me what hands without a head mean. That is quite true.

[Reporter] What kind of alliance can we be speaking of, since the intelligentsia has become impoverished, it earns too little, it is undervalued?

[Rembisz] Well, that is just it. We should make sure that people earn, that the necessary means go toward this.

[Reporter] But we have been hearing this kind of declaration for years.

[Rembisz] Yes, that is true. It is well known that there is a difficult situation. But that is not really the point. Please imagine:—I have already said this before but perhaps I should repeat it—there is an offensive word [word indistinct] Do you know what it means?

[Reporter] No.

[Rembisz] No? It means a man who walks around in an overall, in a smock. It can be an engineer, a technician, a builder, etc, in a state enterprise. We treated those people as if they were nothing, we thought—we, the working class—that we were working for them. But they have brains, they work. They should work so that we could work on modern machines and have modern technologies at our disposal and at last produce good and modern products which we will then be willing to buy. We must, ourselves, change our ideas as far as the intelligentsia is concerned. I believe that if we overcome within ourselves the opinions we have held for so many years we will manage.

[Reporter] Professor Janusz Reykowski has become a member of the Politburo. I wonder, how one can reconcile the role of a scientist with the role of a political activist?

[Reykowski] Yes, this is indeed a difficult matter, and when I was offered [this position] I found it very difficult to decide in the affirmative because, of course, of the conflicts involved. As it happens, there are various conflicts but [words indistinct] I reasoned like this: I believe our country finds itself in a difficult and dangerous situation; that if we should be unsuccessful in what we are trying to do—that is, to reform, to change, then we might descend into chaos for many years to come. Since so many times I came forward with certain views, certain attitudes as to how all this should be changed and to what—I found myself facing the fact that I have (?the chance) to participate in bringing about these changes myself—I felt that I did not have the moral right to back down and refuse to undertake such a responsibility. This is not the responsibility of a scientist, but the responsibility of a citizen, since everyone has not just one role but has also other roles, family and civic roles. So it was the responsibilities of this role which influenced me to take up this challenge.

[Reporter] But, at the same time, professor, it is as if you had omitted part of this question: to point out the truth is the goal of scientific work and the choosing of a possible variant—within the restricted possibilities brought by political life—that is a completely different situation.

[Reykowski] But, of course, [words indistinct] this is a completely different situation, but what transpires from the fact that it is different (?politically)...

[Reporter, interrupting] [Words indistinct] between the uncompromising attitude of a scientist and compromise - as a goal for the politicians?

[Reykowski] The function of a scientist as a researcher into reality and the function of a scientist as one who tests a certain type of reality do not have to be influenced by the activities and the roles which (?I can) fulfill as a politicial activist. These are different areas of activity. They do not interfere with each other directly. Why do you think I might have to be led by a different role, have to fulfill other tasks?

[Reporter] Please forgive me for insisting and boring you, but I am very glad that professors are involving themselves in politics; I have somwhere deep in my memory this old saying that even when you have one hundred professors, the country is still lost.

[Reykowski] Yes, I think 24 professors.

[Reporter] Twenty-four.

[Reykowski] I simply think that a political (?role) is a different role and that (?no) title of professor or any other title guarantees that this role will be performed well. For this reason one cannot think that by this title one has a license for good performance of this function [words indistict].

[Reporter] Zbigniew Sobotka, candidate Politburo member.

[Sobotka] The policy of the party was not a policy which resulted in concrete results. Well, if we admit that the effects are poor, in connection with this there is no point to cover up the fact that socialism in the form which has been presented up till now has grown out of date. Consequently, one ought to change the style and methods applied by the party, both in the sphere of contacts of the party with the government, and in contacts of the party with enterprises, and its influence on all economic activity in work enterprises, and its influence on all economic activity in work enterprises. It is natural to ask on what these reformatory measures will be based. It is certainly not only the style of work itself, but also the structures, the grassroots foundation. Today, it is not enough only to speak about the superiority of socialism over capitalism, about the policy of open borders. Using only the slogan we will not convince anyone. People go abroad and they can see for themselves. It seems to me that one should do everything so that such comparisons come out to our favor. If we admit that this has not been right so far, one should start thinking differently. Party members have so far been used in a completely different manner in which the party has been functioning, a manner of the order-from-the-above type, and decision-making type. Today, one should [word indistinct] restructure this (?area). It seems to me that this is the main task awaiting us today. The number of young people in the party is relatively the lowest. So, we are dealing with people who will have to slightly change their point of view concerning the reformatory measures of the members of the party leadership. I, heading a large factory organization at the Warsaw steelworks, also deal with a number of doubts, difficulties. The new measures also meet barriers in consciousness, but not only in consciousness. Many comrades think that what we are doing today is depreciating socialism.

However, this is the rule: To introduce something new one has to struggle against the old. Starting with this premise—that it was bad and it is going to be better—I think this direction should be promoted and followed. Particularly, during the preparations for the theoretical and ideological conference one should establish one's foundation and unify the direction, to reduce the doubts as much as possible.

[Reporter] Comrade Balicki, first secretary of the party voivodship commitee in Wroclaw [break in reception] as our former chairman of the radio committee, a journalist in the Politburo, a critic of the reality and a co-creator of the political reality. A moment ago I talked to Prof Reykowski, who is a scholar and a politician. These two roles do not fully correspond with each other. In fact, there is also Mieczyslaw Rakowski, a journalist and a politician, but what does this look like from your point of view, especially when we know that you have a very critical opinion of many matters in the country?

[Balicki] Yes, one knows that criticizing is at present relatively easy. It is worse when it comes to using this criticism for a useful program. I think since we are talking about journalism, or other professions—perhaps it is banal—that the political leadership should be composed of many different professions and experiences. I see my location as the reason behind my possible position in the Politburo. This should arise from the fact that I live in Wroclaw. I have been connected with this region since my youth. My opinions originated there. It took me a long time to reach them. My advantage is that in fact I have little to lose. For this reason I shall repeat what I said at another occasion that our motto should be: More boldness rather than caution.

[Reporter] We in Warsaw read the weekly SPRAWY I LUDZIE [ISSUES AND PEOPLE] published in Wroclaw. It has a reputation of one of the more militant magazines, being at the same time of clearly noticeable communist nature. I (?suspect) that this weekly is published under your sponsorship?

[Balicki] I am not sure whether this is sponsorship, but I can say one thing. We try, especially when mass media are concerned, to be tolerant, and not just beginning from today, in fact. I remind you that the monthly ODRA is on the other side, which, delicately speaking, is rather somewhere [words indistinct] somewhere, well, in the area of opposition.

[Reporter] Frankly speaking, on the other side there is the Orange Algernative: Mr Morawiecki and his underground publications.

[Balicki] Not exactly, because one can talk here about a triangle, or a rectangle, well, about something many-sided. There are so many different papers being published in Wroclaw. Generaly speaking this is a very interesting crucible of experiences. For this reason I invite you there personally to have a look for yourselves. Because, for example, when the Orange Alternative mentioned here is concerned, it is difficult to talk about it. It is something one should see.

[Reporter] Thank you very much for the interview and thank you for the invitation. [passage omitted]

New Under Secretaries of State Appointed

LD2312215788 Warsaw PAP in English
2110 GMT 23 Dec 88

[Text] Warsaw, Dec 23—On the motion of the minister-head of the Office for Scientific-Technological Progress and Implementation, the prime minister recalled Adam Garczynski and Wieslaw Grudzewski from the posts of under-secretaries of state at the office, expressing recognition and thanks for their hitherto work.

The prime minister appointed for the vacancies Marek Bogucki, 39, and Ryszard Mazur, 42.

Cooperation with abroad and propagation of scientific and technological progress has been entrusted to Bogucki, while Mazur will be responsible for supervision over the implementation of research and development programmes and application.

Draft Foreign Exchange Law Approved

LD1612231188 Warsaw PAP in English 2201 GMT 16 Dec 88

[Text] Warsaw, Dec 16—The economic committee at the Council of Ministers today approved of the draft foreign exchange law. The law, which will be a foundation of the new economic order in this country, introduces, in general, the principle of free foreign exchange turnover. There will be only a few curbs in this field. There will be no curbs on non-profit turnover in foreign exchange between citizens. The new law guarantees the ownership of foreign exchange. It will create conditions for the estabishment of a foreign exchange market in Poland.

The economic committee also approved of the draft law on income tax from legal persons. The draft introduces a uniform tax system in tune with the principle of equal treatment of all economic sectors.

The committee likewise spelled out the principles of fixing working time in the socialized work establishments in the years 1989-1992. The principles provide for much leeway for work establishment in fixing the working time of their staffs.

Gdansk Lenin Shipyard Undergoes Reorganization

LD2712102788 Warsaw Domestic Service in Polish 0500 GMT 27 Dec 88

[Text] The first new enterprise has already been founded on the premises of the Gdansk Lenin shipyard which is undergoing a reorganization. This is a limited liability partnership called Shipyard "B". Its basic task will be the construction of ships which have already been contracted for, as well as the construction of newly contracted ships. Production for other industries is also envisaged.

Rakowski Meets Activists in Krakow

LD1712173588 Warsaw PAP in English 1510 GMT 17 Dec 88

[Text] Krakow, Dec. 16—Prime Minister Mieczyslaw F. Rakowski today visited Krakow where he met with the economic and political activists of the region. They discussed plans to make a Krakow special economic zone, a duty free area, and an area of intensive development of small production and services (especially in the Lenin steel mill's protective zone), a municipal bank, and development of economic ventures with Krakow's local councils as shareholders.

It takes first of all time and once again time, of which we are so short, to remove the barriers inhibiting normal functioning of the Polish economy, Rakowski said when summing up the discussion. We are still prisoners of many habits and behaviours which obscure thinking in economic categories. Making the economy more rational is first of all the question of mental changes, it is a task for the entire generation. But have we assumed the position of the Grecian chorus which sings: We go, go, but in fact it stands in place only moving its feet. I say we have not.

The active ones increasingly often set the keynote to discussion but also to concrete actions. There is a lot of work to do. Many decisions are being prepared but this needs time and costs, also social costs. Socialism has implanted in people a kind of social security sense. All has gone mediocre in this country: earnings, morals, heroism. But prosperity cannot be built on mediocrity. I wish to make a statement that the reform will be consistently implemented but with the realities being allowed for. There are still many barriers and I therefore count on those, first of all, who want to run ahead.

Actors, painters, scientists, journalists, and writers who met with Rakowski at a discussion club "Kuznica" asked him, among other questions, what is the greatest nuisance in the prime ministers's work, bureaucracy, external factors, or habits people cling to. What should be done to restore culture, particularly the political culture.

When answering the questions the prime minister said that Poland's international debt and its effects are among the major external factors which make the government's work difficult.

Unfortunately, the prime minister said, the reform has many barriers. Many things still stand upside down. I believe that we have done a lot during the past two and a half months. A lot of decisions adopted in that time are decisions which furnish foundations for being normal, thus promising effects later. Many of our actions are to serve the reconstruction of, for instance, initiative, innovatory attitudes, and also culture, including the political culture. If that is to be possible, the basic principles, which determine political culture in social life, must first of all be reconstructed.

PPR Leaders Thank Counterparts for Greetings

AU1412110688 East Berlin NEUES DEUTSCHLAND in German 10-11 Dec 88 p 2

[ND report: "PPR Representatives Express Thanks for Greetings]

[Text] East Berlin—Wojciech Jaruzelski, first secretary of the PZPR Central Committee and chairman of the PPR State Council, and Mieczyslaw Rakowski, chairman of the PPR Council of Ministers, have sent the

following message to Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and to Willi Stoph, chairman of the GDR Council of Ministers:

Dear Comrades:
On behalf of the highest representatives of the PPR, the Polish people, and on our own behalf we would like to cordially thank you for the greetings and congratulations on the occasion of the 70th anniversary of the regaining of Poland's independence.

Poland's return to Europe's political map after 123 years of foreign rule crowned the protracted and sacrificial struggle of all patriotic and progressive forces of the Polish people for independence, which was pursued under the honorable slogan "For our and your freedom."

The growth of the revolutionary movements in Europe favored the regaining of Poland's independence, and the victory of the Great October Socialist Revolution established real preconditions for the rebirth of the Polish state.

The beginning of the building of socialism in our two countries permitted the historic breakthrough in the relations between our two peoples and provided the opportunity to put them on the firm foundation of cooperation in our ideological and political goals.

On this occasion, we convey to you, dear comrades, and to the GDR people best wishes for further successes in fulfilling the demanding tasks in connection with building socialism in your country, and we also wish you personal well-being.

Wojciech Jaruzelski, first secretary of the PZPR Central Committee and chairman of the PPR State Council;

Mieczyslaw Rakowski, chairman of the PPR Council of Ministers.

Trade Minster Speaks at Montreal GATT Session

AU1312160588 Warsaw TRYBUNA LUDU in Polish 8 Dec 88 p 6

[PAP dispatch: "Poland Is Interested in Liberalizing Trade"]

[Text] Montreal— Dominik Jastrzebski, minister of foreign economic cooperation and head of the Polish delegation to the GATT ministerial session in Montreal, spoke during the general debate on Tuesday. He positively appraised the current state of multilateral negotiations within the framework of the so-called Uruguay Round. He reaffirmed Poland's interest in achieving progress in liberalizing world trade and attaining greater access to the markets of our trading partners within GATT.

Minister Jastrzebski said that the state of negotiations at the halfway point of the Uruguay Round, which covers the years 1986-90, indicates that in some areas positions have drawn close enough together to make agreement already possible. This applies to the creation of a system for settling trade disputes within the GATT framework and the principles according to which the GATT system itself should operate. The attainment of complete agreement within the round is not possible without a solution to the fundamental issue that has aroused the greatest amount of controversy, namely, subsidies for agriculture and agricultural exports. Poland is in favor of greater freedom for trade in agricultural produce and the elimination of all obstacles to it.

Minister Jastrzebski said that Poland is interested in increasing its involvement in the international division of labor. That is why far-reaching changes are taking place in our economy, changes that are designed to give the Polish economy an export-oriented character and make the principles according to which it operates correspond more closely to GATT requirements.

Lithuanian Delegation Received in Warsaw

LD1312133688 Warsaw PAP in Russian 0900 GMT 13 Dec 88

[Text] Warsaw, 13 Dec (PAP)—A delegation from the Lithuanian SSR led by V. Landsbergis, head of Sajudis, the Lithuanian movement for restructuring, has arrived in connection with the founding meeting of the Club of Friends of Lithuania in Warsaw.

At a meeting with J. Dobraczynski, chairman of the All-Polish Council of PRON, B. Genzelis, professor of Vilnius University, briefed him about the program of the movement and its current activity. They also talked of the problems Poles encounter living in Lithuania and in particular of the activity of the [name indistinct] social and cultural society. They touched on the question of the new proposals that have appeared connected with the organization of Poles' studies at Vilnius University and other colleges.

SFRY's Dizdarevic Completes Visit, Departs

Bucharest Residential Areas Visited

AU2312165088 Bucharest AGERPRES in English 1640 GMT 23 Dec 88

[Text] Bucharest AGERPRES 23/12/1988—On Friday, 23 December, President Raif Dizdarevic of the SFR of Yugoslavia saw round places of social interest and residential areas in Bucharest Municipality.

During his visit the guest was informed about the vast programme of developing the construction of homes and other social establishments, of modernizing and embellishing Romania's capital.

The first stop was made on the Victoria Socialismului Boulevard where the distinguished guest saw round the House of the Republic and other buildings of the architectural complex now under construction in that part of Bucharest, illustrative of the scope of the works performed in the capital's centre.

President Raif Dizdarevic was informed about the works on the Dimbovita river development site, which falls within the aggregate of measures for the modernization of Bucharest. The guest was also informed about the Bucharest-Danube Canal project—which will link Romania's capital with the Black Sea.

From the University Square, the president of the SFR of Yugoslavia went by tube to the Aviatorilor Square, an opportunity to be informed about the construction and the solutions adopted to build the Bucharest subway.

During his visit, President Raif Dizdarevic was appreciative of the programme for the urban development of Bucharest, as well as of the remarkable achievements of the architects and building workers, of the efforts made to embellish Romania's capital.

The president of the SFR of Yugoslavia was accompanied on this visit by Constantin Radu, mayor general of the capital, and Foreign Affairs Minister Ioan Totu.

Differences in Development Noted

LD2312171188 Belgrade TANJUG Domestic Service in Serbo-Croatian 1633 GMT 23 Dec 88

[Text] Bucharest, 23 Dec (TANJUG)—Two-day official Yugoslav-Romanian talks at the highest level ended in Bucharest today. In the words of Raif Dizdarevic the talks were substantial and open.

Shortly after today's meeting with Romanian President Nicolae Ceausescu, Raif Dizdarevic met Yugoslav business representatives in Bucharest and spoke about his first impressions of the visit.

Yugoslavia and Romania, he said, have similar views on numerous issues, but there are also differences, which is normal and does not stand in the way of dialogue and cooperation between the two neighboring countries. The differences, noted President Dizdarevic, are serious and fundamental when it comes to internal development within the two countries, but this should not and has not so far bothered us.

In the words of Dizdarevic, an extensive exchange of views was carried out on ways Yugoslavia and Romania view the development of international relations, especially the development and involvement in developing cooperation in the Balkans, in Europe, and on the latest processes in world relations.

Official Visit Concluded

AU2312152888 Bucharest AGERPRES in English 1520 GMT 23 Dec 88

[Text] Bucharest AGERPRES 23/12/1988—The president of the Socialist Federal Republic of Yugoslavia, Raif Dizdarevic, concluded his official friendly visit to Romania on Thursday, 23 December. The official departure ceremony took place at the Otopeni Airport where the distinguished Yugoslav guest was seen off by the RCP General Secretary and President of Romania Nicolae Ceausescu.

In the morning the two presidents held another round of talks after which the guest saw round places of social interest in Bucharest Municipality.

Leaders' Talks Summed Up

AU2312212388 Bucharest AGERPRES in English 2030 GMT 23 Dec 88

["On the Talks Between the RCP General Secretary, President of Romania, Nicolae Ceausescu and the President of the SFR of Yugoslavia, Raif Dizdarevic"—AGERPRES headline]

[Text] Bucharest AGERPRES 23/12/1988—At the invitation of the RCP general secretary, president of Romania, Nicolae Ceausescu, Raif Dizdarevic, president of the SFR of Yugoslavia, paid an official friendly visit to Romania over December 22-23,1988.

During the talks occasioned by the visit, Presidents Nicolae Ceausescu and Raif Dizdarevic informed each other about the main current issues of the two countries' internal development, examined the evolution of the bilateral relations and exchanged opinions on the international questions.

During the exchange of opinions regarding the bilateral collaboration, emphasis was placed on the fact that the permanent development of the relations between the two countries and of their manysided collaboration is the expression of the unflinching application—in the ties

between Romania and Yugoslavia—of the principles of full equality of rights, observance of national sovereignty and independence, noninterference in internal affairs and mutual advantage.

Economic collaboration was shown to rank prominent in overall bilateral relations and the need was underscored to make the most of the advantages offered by geographic proximity, the complementary character of the two countries' economies, their economic potential and development level with a view to attaining the volume of commercial exchanges agreed upon for the ongoing five-year period. The necessity was highlighted to work more resolutely for the further expansion and diversification of collaboration in the economic area, special attention being paid to long-term industrial cooperation and specialization of production.

The importance was underscored of the conventions on cooperation and specialization of production in force, and the need was stressed to perseveringly translate them into fact, extend their validity and conclude new ones, of mutual interest, with a view to taking production to superior technical and technological level so as to meet the requirements of the two countries and of third markets. At the same time, the need was emphasized to make greater efforts for the expansion of commercial exchanges and of collaboration in the financial and banking areas and in transport.

The importance was reiterated of the building and efficient employment of the waterpower and navigation systems at the Iron Gates, a fruit of the two countries' joint efforts.

At the same time, the two countries' determination was expressed to work for the development of Romanian-Yugoslav man, sided technical and scientific cooperation. In that respect, the need was underscored to start on-time preparations for the conclusion of a long-term programme for the development of economic, technical and scientific collaboration, of specialization of and cooperation in production.

Opinions were exchanged on the current international life and positive steps were shown to have been taken recently on the path towards disarmament, the lessening of tension and the achievement of a passage from the policy of confrontation to that of dialogue, negotiations and understanding, towards the resolution of states of conflict. Contributing to like developments were the efforts of the peoples, of all progressive forces that work for the democratization of international relations as a whole, for all countries' participation in the resolution of the problem facing [singular as received] mankind. However, a radical change in the international life was not made, which renders the world situation both complex and contradictory.

The fundamental questions of the contemporary age were shown to be the cessation of the arms race and the achievement of a resolute passage to disarmament, to nuclear disarmament in the first place. That is why, everything possible should be done to reach understandings on the implementation of a complex disarmament programme.

Stress was laid on the fact that, in parallel with the actions for the removal and liquidation of nuclear weapons, a passage must be achieved to the reduction of conventional armings, troops and military spendings.

During the talks appreciation was made that firm action is necessary for the soonest possible conclusion of the Vienna meeting by adopting a substantial and balanced document conducive to the strengthening of confidence and security on the continent, to the development of cooperation in all fields.

Special attention was paid during the talks to the strengthening of multilateral collaboration among Balkan countries, to the transformation of that region into a zone free of nuclear and chemical weapons, to the consolidation of peace and security in the Balkans. Emphasis was placed on the necessity to act in order to create the conditions for the calling up of the Balkan countries' summit conference apt to give new dimensions to the strengthening of confidence and cooperation in that area.

It was pointed out that firm action was needed for a political, negotiated solution of all interstate litigious issues.

The current world situation was shown to call for the intensified collaboration of all states with a view to stepping up economic development, the economic growth of the developing countries in the first place. It was stressed that more resolute actions were needed to globally solve underdevelopment-related questions and the problem of the developing countries' incredinately high foreign debts, to establish a new, just and equitable, international economic order.

During the talks the two countries' determination was reiterated to further work for the development and expansion of Romanian-Yugoslav friendship and collaboration.

BORBA Calls For Government's Replacement

LD2512222588 Belgrade TANJUG in English 2154 GMT 25 Dec 88

[Text] Belgrade, Dec 25 (TANJUG)—"If the delegates of the Yugoslav Assembly at its last session this year do not replace the current federal government, it will be something that would be hard to understand and explain to most Yugoslavs, who are 'in water up to their necks,'" the Belgrade daily BORBA writes in tomorrow's issue, calling in an unusually frank and direct manner for the replacement of Prime Minister Branko Mikulic and his cabinet.

In a page one editorial, Milan Rakas, director of the paper, which is the organ of the Yugoslav Socialist Alliance, points out that Mikulic's government "has not shown itself capable of realizing its own programmes and creating, together with other political factors in the country, a climate favourable to a true launching of an economic reform."

BORBA sees another reason for the replacement of the government in that fact that the prime minister and the members of his cabinet have neither been willing nor courageous enough to uncover to the Federal Assembly and the public as a whole all those in the republican and provincial leaderships who have, out of particularistic and egotistical reasons, "put spokes [as received] in the wheels of the economic reform."

BORBA's director cites a number of examples to illustrate his view, and adds that if the federal, republican and provincial governments continue their current manner of operation, Yugoslavia has no guarantee of surmounting the crisis in the near future. Some members of the Federal Government have forecast for 1989 a rate of inflation of over 300 per cent.

BORBA proposes to the Yugoslav Assembly, which will convene in three days' time, to start off the new year and the economic reform by scrapping the Federal Government, but also by demanding that the responsibility be established of the republican and provincial government for the difficult situation in the country.

The paper warns that the increasingly frequent mass strikes and protests by workers in Yugoslavia represent "a clear warning that the patience of the working class is at an end."

Seven months ago, the republics of Slovenia and Croatia asked for the government to be put to a vote of confidence in the Federal Assembly, but the proposal failed to win the necessary support in the Yugoslav parliament.

November's Albanian Protest Gatherings Assessed

AU2212155888 Pristina RILINDJA in Albanian 16 Dec 88 p 4-5

[Unattributed report: "About 100,000 People Took Part"]

[Text] The statement by the Provincial Secretariat for Internal Affairs [PSIA] in connection with the mass gatherings and demonstrations of Albanian-nationality citizens held between 17 and 21 November this year, which was submitted to the Kosovo Assembly yesterday, states that the PSIA has kept sociopolitical structures continually informed of all interesting facts of security importance relating to the protection of the constitutional order and the struggle against antisocialist and anti-self-management activity and behavior.

In reporting regularly the data it has gathered in the course of its complicated and important work and duties, the PSIA has pointed out that the security situation in the province, which was already deteriorating, especially in the field of interethnic relations, has recently been aggravated even further, and that this has exerted a direct influence on the failure to prevent Serbian and Montenegrin emigration. In this way, the PSIA has fulfilled its duties to the Assembly of the Socialist Autonomous Province [SAP] of Kosovo.

The statement then recalls that the meeting of the SAP of Kosovo Assembly held on 25 October 1988, as well, as earlier meetings, assessed the security situation in the province as very involved and serious, and that in certain areas it was marked by tendencies toward further deterioration, especially in disrupted interethnic relations involving signs of division on a national basis. A host of factors emerged that influenced this direction of events, primarily the continued activity of Albanian nationalists and separatists. It was also pointed out that the already complicated situation was even further encumbered by certain unconstructive, deviant, and nationalist statements in the debate on the amendments to the constitutions of the SR of Serbia and the SAP of Kosovo, and that there has been a major division in the ranks of the populace on the basis of nationality in connection with this issue. With this in mind, it was stressed that there is a need for broader, more extensive, and more tangible ideopolitical activity and more work in the field in order to arrest the growth of these phenomena and to prevent the total division of the population on a national basis.

Negative trends in the security situation in the province have always been denounced, and the measures, activities, and work of the internal affairs organs in the struggle against the enemy, particularly against Albanian nationalism and separatism, have always been seen as the primary duty in our program of work.

The statement goes on to mention that, among other things, bearing in mind a further series of negative incidents, a very fraught situation and a kind of open polarization of the population on a national basis was created as the debate on the constitutional amendments drew to a close, and within the context of this debate.

Over a long period of time, through continual hostile activity, particularly on the part of Albanian nationalists and separatists, the internal and external enemy's reactionary, anti-self-management forces have partly succeeded in exerting an influence on a section of the citizenry of Albanian nationality, which prepared the ground for such protest gatherings and demonstrations.

The continuation of such a state of affairs in part created an atmosphere of dissatisfaction among a section of the Albanian population, and was skillfully exploited as a favorable occasion for the organized mass expression of this dissatisfaction.

Apart from their size (according to our estimates, about 100,000 people were involved in all), these gatherings were characterized by a high level of organization. This was shown by the continual arrival in Pristina of large groups of citizens, consisting of between dozens and thousands of people from all areas.

"Parades" were organized in the streets of the provincial capital, which from time to time, at shorter or longer intervals, assumed the character of demonstrations. There was unanimity in the selection and use of flags, slogans, and so forth. All these groups of citizens were led or escorted by individuals who visibly guided their movements and behavior.

There were public protest meetings of citizens of Albanian nationality in almost every commune of the SAP of Kosovo, apart from Zubin Potok, Leposavic, and Strpca, between 17 and 21 November. The largest were the gatherings in Pristina, where citizens from the entire province arrived during these 5 days. From the security aspect, these protest gatherings aggravated the already involved situation even further, even though there were no large-scale incidents involving excessive behavior.

The citizens' public gatherings and their expressions of protest began in most places on the main streets; the crowds later assembled in an organized way in front of state or party buildings, from where they left for Pristina. In the first days, citizens from almost all areas achieved their aim of reaching Pristina, while activists and representatives of sociopolitical structures later went out to persuade them not to go to the provincial capital.

The Course of Events the Same Everywhere

After describing how citizens gathered in Pristina, the statement goes on to observe that it is clear that these events were organized from the fact that in all cases and in all places the course of events was the same: Yugoslav and party flags were carried, alongside the flag of the Albanian nationality. Photographs of Comrade Tito were also usually carried. There were also miners' flags and the flag of the SR of Serbia. Slogans were shouted about the LCY, Comrade Tito, brotherhood and unity, and support was expressed for the conclusions of the 17th LCY Central Committee plenum. Such slogans as the following were also regularly shouted in all places:

"We do not accept the resignations;" "We elected you ourselves;" "We demand the annulment of the decision of the Kosovo LC Provincial Committee;" "We want no resignations under pressure," and so forth. Among other songs, there was:

"My word of honor, my pledge I gave

To be loyal to Kosovo to the grave."

Alongside these slogans, groups shouted in favor of Azem Vlasi and Kacusa Jasari.

In all these events, the predominant slogans were about not allowing changes to the 1974 Constitution, or to the name of Kosovo ("Kosovo—yes, Metohija—no"), all accompanied with the demand "for equality." Shouts for Stipe Suvar, Svetislav Dolasevic, Ekrem Arifi, and some other leaders were also noted.

In the first days, the public protest gatherings typically began with the mass participation of workers. The Trepca miners from Stari Trg near Titova Mitrovica were the first to assemble, at 0700 on 17 November. The miners emphasized that they had gathered to give support to the Kosovo LC Provincial Committee Presidium, because some members of the Presidium "are being attacked without evidence." They said that they were furious and offended by the remarks of a trade union leader from the SR of Serbia, who had stated in the press that the enemy in Kosovo is among the ranks of the workers' class, as well as by certain articles in the press which they said had been written by hooligans. Later, the number of young people participating was larger, including pupils from high schools, students, and even children. There were also cases where organized groups consisting solely of women took to the streets. The general atmosphere that was created (as shown by the chanting of "Tomorrow again, like today"), heightened and aggravated the constant feeling of tension, as well as the uncertainty over when or whether the protest gatherings would end. Because of the exceptional size of the gatherings, especially in Pristina, there was a latent danger that individuals or groups would exploit the situation to cause large-scale excesses.

In some places, although in a small number of instances, typical instances of hostile and unacceptable behavior were noticed. These mostly concerned shouts by individuals or groups of "Kosovo—Republic," "Constitution—Republic;" "We will give up our lives, but will not give up Kosovo," which were not taken up by the crowds.

These slogans were shouted in front of the Feronikel enterprise in Glogovac, in front of the Kosovo LC Provincial Committee building and near the Student Center in Pristina, and in Urosevac. The individuals who shouted these slogans have been identified and sentenced to 60 days imprisonment each for the misdemeanor.

In describing the chronology of the start and development of events in Stari Trg and Pristina on 17 November, the first day of the gatherings, the statement estimates that about 10,000 citizens, including onlookers, assembled in the streets of Pristina on the first day.

On the same day, gatherings were held in the Voljak bauxite mine near Klina and in the Printeks works in Prizren, at which workers opposed the decisions of the Kosovo LC Provincial Committee and its Presidium, and expressed "support for the ninth LCY Central Committee plenum." The administrative staff of the Voljak bauxite mine and the Klina LC Communal Committee, totalling 79 people, set out by bus to the opencast mine with the aim of holding a party meeting together with the miners, for which an agenda with a single item was prepared—"support" for the Kosovo LC Provincial Committee and its Presidium.

On 18 November, the second day, organized columns of citizens began to arrive in Pristina, with flags and slogans identical to those already mentioned. These citizens mostly headed for the Pristina football stadium by a route that enabled them all to stop in front of the Kosovo LC Provincial Committee building. At this point, one shout of the hostile slogan "Kosovo—republic" by an individual was noted. (This individual was identified and sentenced to 60 days imprisonment). Another person was seen passing from one group of citizens to another, spreading the rumor that militia intervention was expected and further gatherings were to be held for that reason, "but with weapons next time." The slogan "Down with Slobodan Milosevic" was also heard, but was not taken up by those present.

In Urosevac, about 600 high school pupils paraded through the streets. Here also, the hostile slogans "Kosovo—republic;" "Constitution—republic;" and "Republic, republic" were heard from time to time, while some individuals also shouted the slogans "Hoxha, Hoxha," and "Azem, Smole." One group shouted "We will give up our lives, but we will not give up Kosovo." The inhabitants of the village of Zur, near Prizren, also took to the streets. They shouted "Kosovo—yes, Metohija—no." They walked in procession to Prizren, where they tried to stop by force several buses near the Hall of the Yugoslav People's Army, but were prevented. One person from the village of Korbanje, near Prizren, collected about 100 elementary and high school pupils and together with them tried to hijack a Kosovatrans bus, but was prevented from doing this by employees of the PSIA. Appropriate measures have been taken against him. The following slogans were noted: "All Kosovo has risen to its feet to stop changes in the Constitution;" "We call for harmony between Azem and the Presidium;" "Kacusa, Azem, we are always ready;" "Kacusa—Teuta;" [Teuta was queen of the Illyrians in the third century B.C.] and "We do not accept the resignations." The Stari Trg miners assembled in Titova Mitrovica, and were addressed by one of the leaders of Trepca, who tried to persuade them not to go to Pristina. Some individuals stressed in their speeches that the 1974 Constitution must not be changed. There were also gatherings of citizens in Gniljane, were the anxiety of two citizens of Serbian nationality was noted, after the assembled Albanian citizens struck their cars. There were also cases where state and party flags and the flag of the Albanian nationality were taken from several stores and carried by participants in the gatherings.

Gatherings in Almost Every Commune

On 19 November, citizens gathered once again on the terrace of the Boro and Ramiz Center in Pristina, shouting "Kosovo—yes, Metohija—no," while some smaller groups shouted the hostile slogan "Kosovo—republic," which was not taken up by other participants. The slogan "Tito—Fadilj" was also heard. The citizens shouted similar slogans later in front of the Kosovo LC Provincial Committee building, alongside shouts of "We do not want changes in the 1974 Constitution." They sang the song:

"My word of honor, my pledge I gave

To be loyal to Kosovo to the grave."

Moreover, citizens from many other parts of the province (Titova Mitrovica, Orahovac, Prizren, etc.) came to Pristina.

On the same day, there were also gatherings in other parts of the SAP of Kosovo (Istok, Kamenica, Pec, Titova Mitrovica, Urosevac, Prizren, Vitina, Orahovac, Gniljane, etc.). In Titova Mitrovica, pupils of the Center for Secondary Education shouted "We do not accept the resignations;" "Kacusa—Azem—Mitrovica is coming:" and "All Kosovo will rise to its feet to stop changes in the Constitution." In Orahovac, PSIA employees warned the assembled citizens not to go to Pristina, but the citizens were persistent in their demands and put pressure on the PSIA employees. There was disgraceful behavior among some individuals, who shouted "Why did you not stop the Serbs going to Belgrade by bus yesterday evening?" In Prizren, the slogan "Kosovo—yes, Metohija—no" was shouted. Some columns of people carried the flag of the Albanian nationality. In the village of Hoca, near Prizren, the three slogans "We love Azem;" "Down with Milosevic;" and "KR" were written on the wall of the old communal assembly building. Some pupils from Zur, when they arrived in Prizren, struck buses with their hands. In Istok, the slogans "Kosovo—yes, Metohija—no," and "We want brotherhood and unity, but without treachery" were shouted. The citizens assembled in the

Kamenica Hall of Culture shouted "Koretin has risen to its feet to stop changes in the Constitution." In the village of Mogile, near Vitina, a group of citizens shouted, among other slogans, "Comrade Tito taught us not to change the Constitution."

At about 1030 on the same day, the gathering of students of Albanian nationality from the dormitories began in front of the 25 May Sports Hall in Pristina. They entered the hall on the initiative of youth activists from the Student Center and leading cadres from the sports hall. Since the hall was small, a proportion of the students remained outside. One of the leaders of the 25 May Center addressed the students, asking them to preserve order among themselves until representatives of sociopolitical structures arrived, and not to allow their ranks to be infiltrated by destructive elements who could give their gathering a dimension of an altogether different character.

Despite the efforts of representatives of sociopolitical structures to persuade the students not to leave the area around the student center, the students, after leaving the sports hall, assembled in front of the dormitories and, carrying flags and photographs of Comrade Tito, set off in the direction of the Boro and Ramiz Center, not allowing other citizens to join them.

In the sports hall and on the streets, they shouted the slogans "Tito—Party;" "Long live the LCY;" "Azem, Azem;" and "Brotherhood and unity," and sang the song "Comrade Tito, we swear to you."

After discussions with representatives of sociopolitical structures in the Boro and Ramiz Center, the students returned to their dormitories in an organized manner.

One fourth-year student of Albanian literature from the Faculty of Philosophy, disgusted at the students' return to their dormitories, opposed certain activists, and said that this was "a betrayal of the workers' class." However, this statement met with no support.

There were again gatherings of citizens from many parts of the province in Pristina on 20 November. Just as on previous days, groups gathered at the Boro and Ramiz Center, in front of the Kosovo LC Provincial Committee building, and in the city center. About 3,000 citizens in front of the Kosovo LC Provincial Committee building shouted, "Belgrade, we are not demonstrators;" "Long live the University of Kosovo;" and "Long live the Albanological Institute." After 2 hours, they again went to the Boro and Ramiz Center, where representatives of sociopolitical structures talked to them.

A group of about 400 citizens gathered in Orahovac, and demanded means of transport to go to Pristina. There were also gatherings in Suva Reka, Prizren, Urosevac, and in some villages in the communes of Vitina, Pristina, Pec, Stimlje, and Titova Mitrovica. People at all these gatherings had the intention of going to Pristina, and a number succeeded. At the same time, there were preparations among the assembled citizens for organized journeys to Pristina during the next few days. The gathering of about 100 citizens in the village of Crnica, near Istok, was typical; they expressed their indignation in front of the LC Communal Committee building because, they stressed, articles in the press had stated that the demonstrators in Istok had been led by sworn separatists, and because certain unidentified persons had burned the flag of the Albanian nationality in the village of Ljubizda on the night of 16-17 November.

About 3,000 citizens from Klina, Pec, Gniljane, Vitina, and other places came to the protest gatherings in Pristina on 21 November. The majority of those who assembled were young people, and especially schoolchildren, while there were noticeably fewer workers than on previous days.

Events at the village of Pozarane were typical. The local inhabitants were against taking to the streets, and about 1,000 gathered in the Hall of Culture to state their demands that "There should be no change of standpoint as regard the Albanians;" they said that they were against the resignations of certain members of the Kosovo LC Provincial Committee "because they were tendered under pressure."

There Were Unacceptable Slogans

Apart from the slogans already mentioned, other hostile and unacceptable slogans were noted at the public gatherings, such as "Long live the hegemony of Kosovo;" "Long live the heroes who gave their lives for the autonomy of Kosovo;" "We will give up our lives, but we will not give up Kosovo;" "Constitution—equality;" "Every student has risen to his feet to prevent changes to the Constitution;" "Urosevac has risen to its feet to prevent changes to the Constitution;" and "All the people of Kosovo have declared that the Constitution should not be changed." There were also cases where the slogan "Tito—Fadilj" was shouted. The way the crowds behaved when they were addressed by certain prominent sociopolitical workers and by people presenting extreme viewpoints, including one participant in the 1981 demonstrations, was also also significant from the security point of view.

Comrade Sinan Hasani addressed the crowds in the Boro and Ramiz Center, but he was met with whistles. The same thing happened to Comrade Sava Komadinic in the Pristina soccer stadium at the moment when he mentioned Albanian nationalism and separatism. Meanwhile, there were occasions in the Boro and Ramiz Center when the assembled masses welcomed with frenetic applause various speakers from their own ranks, who spoke out vigorously against the constitutional changes, cadre changes in the Kosovo LC Provincial Committee, and so forth.

Some Typical Incidents

Some other incidents also occurred during the protest gatherings which were of interest from the security viewpoint. In one incident, the windows of the VECERNJI NOVOSTI office in Pristina were broken by an unidentified person. In another, an unidentified person threw an empty bottle from a window or balcony into the crowds passing below (nobody was injured). There was also the case of the provocative and unpleasant behavior of a person of Albanian nationality, who entered a street reserved only for pedestrians with his car, and disturbed passers-by and those who were at the protest meeting by sounding his horn and inciting a group of assembled citizens to the noisiest behavior. This person was sentenced by the magistrate's court to 60 days imprisonment, and was sent to serve his sentence at once. A mentally ill person, against whom many charges relating to crimes and misdemeanors were leveled in 1981, gathered round him a large number of children and minors on the terrace of the Boro and Ramiz Center at about midday on 20 November, and persuaded them to go in front of the Kosovo LC Provincial Committee building and to shout slogans. The Communal Magistrate's Court ordered that this person should be sent for treatment. At the welded tube works in Urosevac, after persons of Albanian nationality took to the streets, workers of Serbian and Montenegrin nationality stopped work and gathered in the canteen. Harsh words were exchanged between workers of Albanian and Serbian nationality in the workers' bus on the way to work at the Prizren abattoir. At the slaughterhouse at about 1400, when workers of Serbian nationality were dancing, furious Albanian workers downed tools and went out into the works' yard in order to return home. However, after discussion, they returned to work after 40 minutes.

The fact that persons convicted of hostile activity from positions of Albanian nationalism and separatism and other persons of security interest also participated in the gatherings shows that there are grounds for believing that they might have been able to thereby increase their influence and to misuse the gatherings for their own ends, which would have had far-reaching political and security consequences. Hostile Albanian emigres in the West have shown great interest in the political and security situation in the SAP of Kosovo and have greatly intensified their activity in organizing anti-Yugoslav demonstrations in Western countries in recent days.

Involved Situation

The above-mentioned events further encumbered the political and security situation in the province and beyond, which adds grist to the mill of the Albanian nationalists and separatists and other internal hostile forces.

The consequences of the gatherings are far-reaching, especially because they have contributed to a deterioration of interethnic relations, to deeper mutual distrust on the basis of nationality, and to increased insecurity and fear among Serbs and Montenegrins; this will be reflected in further emigration from Kosovo, thus further promoting the Albanian nationalists' and separatists' aim of an "ethnically pure Kosovo."

I consider that the further development of the political and security situation in the province, and especially the possible occurrence of further protest gatherings of citizens of Albanian nationality, will depend on the level of activity of social and political organs, forums, and all social self-protection authorities in eliminating all the causes that could possibly contribute to similar events.

It was assessed that further gatherings could cause open conflicts, and that the security situation had deteriorated further and become more complex. The SAP of Kosovo Assembly therefore judged that exceptional circumstances have been created and that further protest gatherings could jeopardize public order. On this basis, the Executive Committee of the SAP of Kosovo Assembly made the decision on 22 November instructing the PSIA, in accordance with the authorities given it under the law, should issue an order restricting or prohibiting the movement or assembly of people in public places or in specific areas. The PSIA issued an order on 22 November prohibiting the movement or assembly of people in public places or in specific areas, which will remain in force as long as the circumstances giving rise to its promulgation persist.

Facts have shown that the majority of citizens have appraised, interpreted, and understood in a positive sense the PSIA order prohibiting the movement or assembly of people in public places or certain areas. However, a number of citizens have asked, "Does it apply to all peoples and nationalities?" "Does it only apply to Albanians?" and "Does it apply to Serbs and Montenegrins as well?" This can be explained as a result of the inadequacy of the information given to citizens.

There have been comments such as "The order should have been issued earlier, immediately after the first Albanian gatherings," that it should have been issued "5 or 6 months ago, so that it could also have prevented the single-nationality gatherings of Serbs and Montenegrins," that it should have been issued during the Serbs' and Montenegrins' gatherings, because if it had been in force then, these gatherings of the Albanian nationality would never have happened, or that it should have been issued earlier, to prevent the masses losing their sense of direction.

The statement also mentions, alongside the fact that up till now no attempts to violate or ignore the order have been observed, that there have also been comments that "The provincial Secretariat's order came too early and was unwarranted, because the Albanian gatherings did

not have the character of demonstrations." There have also been comments approving the order, such as "The order was issued at the right time; otherwise there the fear would have arisen that continuing Albanian gatherings in Kosovo could further aggravate the situation and leave room for the activity of Albanian nationalists and separatists, who would try in every way to exploit these gatherings for their hostile activity," and "Such a measure is the only acceptable solution to the situation," and "This measure prevents the further deterioration of personal and interethnic relations."

[The following three passages appear boxed within the body of the item]

Without Incident

The internal affairs authorities have performed their duties successfully and there were no incidents involving citizens. The internal affairs authorities took a series of preventive measures with the aim of stopping the arrival of citizens in Pristina, halting and guiding the movements of the crowds, averting excesses, protecting public property, preventing violations of the peace and public order, maintaining communications, informing sociopolitical structures about the course of events, and protecting industrial sites, the party and state authorities, and so forth. [end of first boxed passage]

Two Hundred People "Of Interest From the Security Angle"

The PSIA has hitherto identified about 200 people of interest from the security angle, including persons once convicted for political offenses, participants in the hostile demonstrations of 1968 and 1981, persons who have returned from the People's Socialist Republic of Albania, hostile emigres and those involved with foreign services, and others among the ranks of our citizens, and foreigners, who are of interest from the security angle. The internal affairs authorities detained 39 persons for various reasons, 35 of whom were issued warnings. Four persons have been sentenced for the misdemeanor of shouting the slogan "Kosovo—republic." [end of second boxed passage]

Legal Norms Exceeded

On the basis of what has been said, it emerges that the public protest gatherings and demonstrations of citizens of Albanian nationality were organized and well-directed, and that they jeopardized public order because of their size, heady atmosphere, persistence, and duration. Although these events were not of a destructive nature, legal norms were exceeded and it might also be said that the peace and public order were breached in certain situations. There was a real possibility that these events could have led to excessive behavior on a large scale, thus jeopardizing the country's constitutional order. This is shown by the fact that the number of people acting from positions of Albanian nationalism and separatism grew in the course of events, and hostile manifestations increased. It is also worth emphasizing that the composition of the gatherings changed over the days, because young people predominated in the later gatherings.

In the course of the events, the slogan "We will not change the 1974 Constitution" was shouted in chorus in almost all places. This is in opposition to the stands of the LCY Central Committee. It may therefore be judged that this was one of the basic motivations behind the expressions of protest.

Sources of Internal Debt Analyzed

AU2612201188 Belgrade BORBA in Serbo-Croatian 21 Dec 88 p 5

[Djoko Kesic article: "Producers Are Looking for a Scenario"]

[Text] In the view of economic theorists, solving the internal debt problem in our country will become a prolonged drama involving intensive work on numerous passages with horror scenes. The drama is produced by the artificially created economic habits of the contractual economy and by the people who left our political scene a long time ago. The fabulously expensive "project" will again be financed by none other than our economy which will be more of an observer in all this than a participant. The claims made by some economists several years ago have thus come true. They warned that the burden of internal debts is much heavier than the claims by our foreign debtors.

It is difficult to estimate the value of the state's and economy's internal fictitious assets [unutrasnja fiktiva]. The FEC claims that it is around $18 billion. However, there are also estimates that the value of internal fictitious assets in our country could be as high as $40 billion.

The need to resolve the problem of internal debts is one the compulsory prerequisites for the economic reform. According to economic theory and experience, inflation and changes in the economic structure are other prerequisites. Our internal debts have three sources: foreign exchange differences arising from foreign loans; foreign exchange differences arising from our citizens' foreign currency deposit accounts (amounting to some $11 billion); and fictitious claims [fiktivna potrazivanja] within our economy.

State Foreign Exchange Differences

The burden of internal debts has been oppressing our economy for years, and it was not a phenomenon which appeared suddenly. What is still not clear is why the federal government did not try to solve this problem, say 4 years ago, when the value of the total fictitious assets was "only" $10 billion. It was known that any postponement would lead to an increase in this kind of debt. In fact, this is what happened in these extremely refined conditions: How can we return the money we owe to

ourselves? This question has been mentioned as the condition for the reform and is directly connected with checking inflation and changing the structure of the economy.

There is no controversy over this. However, there is a theoretical question—a question with several variants as to how to solve the internal debt problem. The internal dinar fictitious assets of our work organizations, the FEC decided, should be written off at once against profit and loss account [poslovni fond] by 31 December 1988 in order to equalize it with social capital according to the law on accounting. The federal government believes that this system will bring to the surface the real value of the work organizations' capital. The economic entities whose fictitious assets are greater than their own capital will go into receivership or will be liquidated. Their fate, according to Professor Jovan Rankovic, a member of Mikulic's commission, is in the hands of banks which will no longer be under the control of influential politicians and political forums.

There are also dilemmas as to how and on whose account to transfer the burden of foreign exchange differences arising from foreign loans and foreign currency savings of our citizens. In the past, it was decided that foreign exchange differences should exclusively be treated as the burden of the National Bank of Yugoslavia. I advocated the variant, Professor Rankovic said, according to which the sociopolitical and work organization which had spent the foreign exchange should be debited with the interest payable on the spent foreign exchange, regardless of its origin. However, another solution prevailed because it suited the people who make decisions. According to this solution this debt should be transformed into the state debt (public debt) which would be covered from various sources through the federal budget, the issuing policy, and the sale of securities in the form of federal bonds.

According to Dr Ivan Ribnikar, who is also a member of Mikulic's commission, foreign exchange differences in the National Bank of Yugoslavia are the state's debt and therefore a public debt of the federation. The National Bank of Yugoslavia should immediately settle these foreign exchange differences from its income or at the state's expense. This should be done now because it has not been done in the past. It was the state which invented the rules of the game which led to billions in foreign exchange losses. Commercial banks and the economy adapted themselves to these rules. It is not important who has been "whispering" these rule to the Central Bank.

Debt Without Debtors

What would it mean if the state as authority transferred this debt to the economy or commercial banks? In the first case the most important account holder of the National Bank of Yugoslavia would be the economy just as it is in the centrally planned economies. In this case we would have to stop thinking about the reform of the economic system. The same would happen if the debt was transferred to commercial banks. They would be destroyed as commercial banks. All the problems of foreign exchange differences lie in the fact that the creditor is known, while the debtor is hiding with help of the federation, Ribnikar claims. How the federation will get these funds is a fiscal policy problem.

There are also other views on the "hidden" debtors. Professor Jovan Rankovic claims that it would not be difficult at all to determine which work and sociopolitical organizations took loans, when and how much. Therefore, the problem is not in finding the hidden debtors and it would only be natural that they should bear the burden of the part of foreign exchange which they spent. However, a warning has been issued that in this case the entire legal system would have to be revised.

In other words, the federal government itself has created debts without debtors. The debt of the National Bank of Yugoslavia alone is (as the FEC claims) $15 billion. The real debt is certainly much greater and should also include the $11 billion worth of our citizens foreign currency savings which was mainly used for wrong economic programs and is almost non-existent. This is why "some heads" in the federal government and around it, as we have unofficially learned in the Federal Secretariat for Finances, started to think about converting the citizens savings into dinars and paying this money out to the savers, something that was energetically rejected by this secretariat.

Reducing State Duties

All solutions, including the one according to which foreign exchange differences would be converted into a public debt, contain the key question—how to secure money for the repayment of debt. The economy and the state are experiencing a chronic lack of money owing to the falling productivity and investments, and too expensive production. In addition, general and joint expenditure take up to 35 percent of the national income while the demands of the awakened workers (this is a declarative slogan of the economic reform) amount to an explicit demand for the economy to be relieved by at least 20 percent.

Out of all these combinations, an additional printing of money is out of the question because this would stimulate the already-too-high inflation. There are some other things the federation can do: It could increase the federation's source income (the basic sale tax and custom duties) which would lead to a rise in prices and would even more drastically close the market, but would lead to a sharp rise in inflation. The other possibility is to generate income through a new and radical taxation policy. This possibility also has shortcomings because it would result in disputes between the republics.

Economic analysts see a solution in repaying debts from the proceeds of the sale of property to foreigner persons and the domestic private sector. This is a fairly real possibility and, under certain circumstance, the economy could revive production and start new programs. A partial solution also lies in a selective taxation policy, but could also be found be in a radical reduction of some of unnecessary state's duties which have not been touched by the last constitutional changes.

So, the present opportunities for the federation to efficiently resolve the problem of internal debts without major tremors are very narrow. The announcement that the state will issue securities to finance internal debts and the deficit financing of the federation encountered fierce resistance in the Federal Secretariat for Finances. In the view of the Secretariat, these securities could be bought by private people from abroad and from the country. Their money would become passive in the hands of the federation as well as expensive considering the rate of inflation and interest that would have to be paid. This possibility should be rejected especially because, in light of new reforms, private capital is expected to be invested in new production programs which will perhaps be the main exponent of changes in our socioeconomic development.

Australian Envoy Presents Copies of Credentials

LD2212204788 Belgrade TANJUG in English 1810 GMT 22 Dec 88

[Text] Belgrade, Dec 22 (TANJUG)—The new Australian ambassador to Yugoslavia presented copies of his credentials at the Foreign Affairs Ministry on December 13, that is within the usual time-limit laid down by protocol, a government spokesman said here today.

Ambassador Ivo Vajgl told a regular press conference at the ministry that the ambassador, Francis William Somerville Milne, would "present the credentials at a date to be fixed later."

Yugoslav-Australian diplomatic relations hit their all-time low after last month's rampage by pro-Ustasha emigre demonstrators in the yard of the Yugoslav Consulate General in Sydney. A consulate security guard was forced to fire warning shots and a demonstrator was injured in the melee.

The Australian authorities reacted by closing down the consulate and expelling its staff. The Yugoslav Government retorted by declaring three Australian diplomats personae non gratae.

Speaking about bilateral relations, Vajgl recalled a statement by the Yugoslav Presidency expressing the hope that Yugoslavia's legitimate rights and demands would be respected.

He said the Presidency expected that Australia would act in conformity with the international law to prevent activities obstructing and endangering the operation of Yugoslav diplomatic-consular offices.

"The normalisation of relations would undoubtedly be helped by an unmistakable gesture on the part of the Australian Government that it regards as valid the positive orientation set forth by Prime Minister Bob Hawke during his visit to Yugoslavia in October 1987", Vajgl concluded.

Trade With Australia, New Zealand Rising

AU2512202788 Belgrade POLITIKA in Serbo-Croatian 21 Dec 88 p 2

[TANJUG report: "Trade With Australia and New Zealand on Increase"]

[Text] Yugoslav businessmen are of the opinion that the closure of the SFRY General Consulate in Sydney will not significantly affect trade between Yugoslavia and Australia. At the meeting of the Assembly Section for Australia and New Zealand and the Economic Chamber of Yugoslavia it was said that all the forecasts predict a rising trend. A slight reduction in business can only be expected in the service industry—the introduction of the Yugoslav airlines' third flight to Australia is uncertain, and some problems could arise in tourist services and in cargo freight with our ships.

In the first 11 months of this year, trade between Yugoslavia and Australia was worth $119 million [currency not specified]. In the same period last year trade was worth $97.4 million. In the first 11 months of this year, exports rose by 31.4 percent in relation to the same period of last year and stood at $36 million, while imports rose by 18.6 percent and were worth $83 million. The cover of imports by exports in the above-mentioned period has significantly improved in relation to the same period last year and was 43.4 percent.

There was still not much trade with New Zealand in the first 11 months of this year although it was higher than in the same period last year. The value of trade in the first 11 months was $10.8 million. Exports were worth $1.2 million and exports $9.6 million. Yugoslav imports were reduced in this period by 7.7 percent in relation to the same period last year, while exports rose by 43.3 percent. Rawhide, tanned leather, and wool continue to make up the greatest part of Yugoslav imports from New Zealand, 97 percent. The cover of imports by exports in this period was 12.5 percent.

Possible Cause of Plane Crash Near Yerevan

LD1912142188 Belgrade TANJUG in English 1307 GMT 19 Dec 88

[Text] Belgrade, December 19 (TANJUG)—The most likely cause of the recent air crash near Yerevan, involving a Yugoslav "AN-12", was an incorrect reading of the

data on the atmospheric pressure at the airport where the aircraft was to land, as the Yugoslav Defense Secretariat reported today on the basis of the hitherto investigation.

A group of Yugoslav military experts who have taken part in the work of the Soviet commission which is investigating the causes of the crash returned to Belgrade today.

The Soviet commission will continue a thorough investigation, including the examination of the aircraft's instruments and other vital parts at a special laboratory in Moscow. The investigation is to be concluded by mid-January, 1989, when the findings will officially be processed and the aircraft's flight reconstructed. Yugoslav experts will take part in the processing of the data.

Krekic Receives Albanian Trade Minister

AU1812144488 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 18 Dec

[Text] Nenad Krekic, federal secretary for economic relations with foreign countries, received Shane Korbeci, Albanian minister for foreign trade in Belgrade. They discussed the results of the trade planned for this year, the protocol for 1989, and trade between the border areas next year.

They mutually concluded that this year's total trade of $50 million does not meet the needs and capabilities of the two countries. Yugoslavia and Albania are interested in strengthening and enriching trade. Exceeding the present trade stagnation is in accordance of both countries' wish to develop good-neighborly relations and cooperation in the Balkans. This was state in the talks between Krekic and Korbeci.